# Agenda

## City Council Regular Meeting

Folsom City Hall | City Council Chambers, First Floor

50 Natoma Street, Folsom, CA 95630

August 11, 2026, 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 Meeting**
**Folsom City Hall | City Council Chambers, First Floor**
**50 Natoma Street, Folsom, CA 95630**
**www.folsom.ca.us**

**Tuesday, August 11, 2026 6:30 PM**

*Justin Raithel, Mayor*

*Sarah Aquino, Councilmember*
*Mike Kozlowski, Councilmember*
*Barbara Leary, Councilmember*
*Anna Rohrbough, Vice Mayor*

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**AGENDA**

**CALL TO ORDER**

**ROLL CALL: Councilmembers: Rohrbough, Aquino, Kozlowski, Leary, Raithel**

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

**PLEDGE OF ALLEGIANCE**

**AGENDA UPDATE**

**BUSINESS FROM THE FLOOR:**

Members of the public are entitled to address the City Council concerning any item within the Folsom City Council's subject matter jurisdiction. Public comments are 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.

**SCHEDULED PRESENTATIONS:**

1. City of Folsom Resolution of Commendation Honoring Folsom American 11U All-Stars Team 2026 State Champions

**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. Approval of the July 14, 2026 City Council Special and Regular Meeting Minutes

3. Appointment of Primary and Alternate Voting Delegates for the League of California Cities 2026 Annual Conference

4. Appointment of Representatives to the Sacramento Central Groundwater Authority (SCGA) Governing Board for the Four Year Term Ending August 2030

5. Appointment of At-Large Parks and Recreation Commissioner to Fill the Remainder of the Term Ending December 2026

6. Ordinance No. 1375- An Ordinance of the City of Folsom Re-Adopting Ordinance 1353 To Amend Chapter 17.52 of the Folsom Municipal Code for the Historic District Relating to Design Review, Sign Permits, Demolitions, and Accessory Buildings (Second Reading and Adoption) and Determination that the Action is Not Subject to CEQA

7. Resolution No. 11664- A Resolution Authorizing the City Manager to Execute Construction Change Order No. 2 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project from the Facility Rehabilitation Fund (Fund 602) and Appropriation of Funds

8. Resolution No. 11674 - A Resolution Authorizing the City Manager to Accept a Cannabis Tax Fund Grant Program offered by the California Highway Patrol in the Amount of $164,349.56, to Reduce and Mitigate the Impacts of Impaired Driving, Provide DUI Enforcement and Training, Purchase a Police Vehicle, and Appropriation of Funds in the General Grant Fund (Fund 012)

9. Resolution No. 11676 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent for the Seventh Cycle Housing Element Update and Appropriation of Funds

10. Resolution No. 11677 – A Resolution Approving the Historic District Commission's Recommendation for Approval of a Design Review Application for a Commercial Addition Project Located at 705 Sutter Street and Determination that the Project is Exempt from CEQA

11. Resolution No. 11678 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Motorola Solutions to Procure Replacement Portable Radios and Ancillary Equipment for a Total Not to Exceed Amount of $144,160 from the Fire Vehicle/Equipment Fund (Fund 608)

12. Resolution No. 11681 - A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. for $99,511.75 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Mobile Column Lifts for Heavy Duty Vehicle Repairs

13. Resolution No. 11682- A Resolution Ratifying the Execution of an Emergency Repair Contract with West Coast Frame and Collision Repair, Inc. in an amount Not to Exceed $107,954, and Appropriation of Funds from the Solid Waste Fund (Fund 540) in the amount of $107,954 for the Emergency Replacement of the Cab on a Refuse Collection Truck

14. Resolution No. 11683 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of a Ford F350 Truck with Utility Bed in the Amount of $84,095.10 from the Water Operating Fund (Fund 520)

15. Resolution No. 11684 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. for $136,000 from the Water Operating Fund (Fund 520) for Additional Environmental Support Services for the Water System Rehabilitation Project No. 1 (Project WA1603) and Appropriation of Funds

16. Resolution No. 11685 - A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 22A (Folsom Heights)

17. Resolution No. 11687 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Folsom Lake Ford for the Purchase of One Ford Vehicle for $68,664.18, and Use of Funds from Landscaping and Lighting Districts and Community Facility Districts (22-L&L)(9-CFD)

18. Resolution No. 11688 – A Resolution Rejecting All Proposals for the City Hall Campus Exterior Paint Project

19. Resolution No. 11689 – A Resolution Authorizing the City Manager to Execute Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, Federal Project No. 5288(043)

**NEW BUSINESS:**

20. Presentation of Community Survey and Civic Dialogue Results and Proposed Workplan by Change.org Representatives, and Staff Direction

21. City of Folsom Community Facilities District No. 22A (Folsom Heights)

    i. Resolution No. 11679 - A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named “City of Folsom Community Facilities District No. 22A (Folsom Heights),” Designate Separate Improvement Areas Therein and Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes therein

    ii. Resolution No. 11680 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights) and in and for two Improvement Areas Designated therein and Calling for a Public Hearing thereon

22. Resolution No. 11686 – A Resolution Authorizing the City Manager to Execute a Purchase and Sale Agreement with Lakeside Church in the Amount of $7.1 Million for the Purchase of ~6.69 acres at the Northeast Corner of East Bidwell Street and Oak Avenue Parkway and Appropriation of Funds (Folsom Housing Fund 238)

23. Resolution No. 11690- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and Authorizing Implementation of the Single-Role Ambulance Transport System

**CITY MANAGER REPORTS**

**COUNCIL COMMENTS**

**ADJOURNMENT**

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

*NOTICE REGARDING CHALLENGES TO DECISIONS: Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.*

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

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

*This meeting of the 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 system, 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

# City of Folsom Resolution of Commendation
# Honoring
# Folsom American 11U All-Stars Team
# 2026 State Champions

**WHEREAS,** the Folsom American 11U All-Stars Team is comprised of players and coaches who demonstrated talent, sportsmanship, perseverance, and a commitment to hard work throughout the season; and

**WHEREAS,** the team went undefeated through the District 54 and Section 4 tournaments before ultimate victory in the Northern California State Championship; and

**WHEREAS,** by capturing the State Championship, the Folsom American 11U All-Stars earned the official distinction of being the top team in the 9–11U age bracket across the entire Northern California region; and

**WHEREAS,** the coaching staff provided outstanding leadership, mentorship, and dedication to guiding the team throughout their historic tournament run; and

**WHEREAS,** the players competed with fine sportsmanship, teamwork, loyalty, and camaraderie, demonstrating true unity on and off the field; and

**WHEREAS,** dedicated parent volunteers provided essential support behind the scenes, ensuring smooth operations on the fields and accurate scorekeeping for every contest; and

**NOW, THEREFORE, BE IT RESOLVED ON BEHALF OF THE CITY COUNCIL,** that high commendation and sincere congratulations are hereby extended to the Folsom American 11U All-Stars Team for their incredible championship season.

**COMMENDED** this 11th day of August 2026.

Justin Raithel, Mayor

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# City Council Special Meeting

## MINUTES

## Tuesday, July 14, 2026 5:15 PM

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**CALL TO ORDER**

The special City Council meeting was called to order at 5:15 pm with Vice Mayor Rohrbough presiding.

**ROLL CALL:**

| | |
|---|---|
| Councilmembers Present: | Sarah Aquino, Councilmember<br>Michael Kozlowski, Councilmember<br>Barbara Leary, Councilmember<br>Anna Rohrbough, Vice Mayor |
| Councilmembers Absent: | Justin Raithel, Mayor |

**ADJOURNMENT TO CLOSED SESSION FOR THE FOLLOWING PURPOSES:**

1. Public Employee Appointment – Pursuant to Government Code section 54957(b)(1): Title: City Attorney
2. Conference with Real Property Negotiator - Pursuant to Government Code section 54956.8: Real Property Located on the Northeast Corner of East Bidwell Street and Oak Avenue Parkway (6.69 acres). Negotiating Parties: City Manager Bryan Whitemyer on behalf of the City of Folsom; Peter Nixon and Kris Riley on behalf of the property owners. Under Negotiation: Price and Terms of Sale
3. Conference with Legal Counsel - Existing Litigation pursuant to Government Code section 54956.9(d)(1): Karen Agadzhanyan v. City of Folsom, Deidre McCauliff, Oliver Mills, et al. Sacramento County Superior Court Case No. 24CV019181

Motion by Councilmember Aquino, second by Councilmember Kozlowski to adjourn to closed session. Motion passed by the following roll-call vote:

| | |
|---|---|
| **AYES:** | **Aquino, Kozlowski, Leary, Rohrbough** |
| **NOES:** | **None** |
| **ABSENT:** | **Raithel** |
| **ABSTAIN:** | **None** |

**RECONVENE**

Interim City Attorney Sari Dierking 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 6:31 pm.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk

ATTEST:

_____
Anna Rohrbough, Vice Mayor

# City Council Regular Meeting

## MINUTES

**Tuesday, July 14, 2026 6:30 PM**

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**CALL TO ORDER**

The regular City Council meeting was called to order at 6:31 pm with Vice Mayor Rohrbough presiding.

**ROLL CALL:**

| | |
|---|---|
| Councilmembers Present: | Sarah Aquino, Councilmember<br>Michael Kozlowski, Councilmember<br>Barbara Leary, Councilmember<br>Anna Rohrbough, Vice Mayor |
| Councilmembers Absent: | Justin Raithel, Mayor |

**PLEDGE OF ALLEGIANCE**

The pledge of allegiance was recited.

**AGENDA UPDATE**

Interim City Attorney Sari Dierking reported that staff requested to continue Item No. 6 to the City Council meeting of August 11, 2026. Additionally, supplemental information was noted for Item Nos. 12, 13, 14, 15, 17, and 18.

**BUSINESS FROM THE FLOOR:**

The following individuals addressed council:

- Robert Slater
- Sherrie Richter
- Michael Boldling
- Robert Dresser
- Scott Rafferty
- Muriel Brounstein
- Martha Doran
- Shauna Garrett
- Syd Bailey
- Randy Krohn
- Catherine O'Mordha
- Steve James

In response to public comments, City Manager Bryan Whitemyer provided an update on the Folsom Police Department's e-bike education and enforcement efforts. He expressed appreciation for the Folsom City Zoo Sanctuary and acknowledged the public input received regarding the California Voting Rights Act (CVRA) case.

**SCHEDULED PRESENTATIONS:**

1. Proclamation of the Mayor of the City of Folsom Proclaiming July 2026 as "Parks Make Life Better" Month

Councilmember Kozlowski presented the proclamation.

2. Proclamation of the Mayor of the City of Folsom Proclaiming July 19 - 25, 2026 as "National Zookeeper Week" in the City of Folsom

Councilmember Leary presented the proclamation.

**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 the June 23, 2026 City Council Special and Regular Meeting Minutes

4. Resolution No. 11647 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Chevrolet for $166,368.93 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Three Chevrolet Silverado Electric Trucks

5. Resolution No. 11663 – A Resolution Authorizing the City Manager to Execute an Agreement with ICF Incorporated, LLC for Consulting Services for the Advanced Clean Fleets Regulation Compliance and Transition Assessment Plan for $104,980.32 from the Water Operating Fund (Fund 520), the Sewer Operating Fund (Fund 530), the Solid Waste Operating Fund (Fund 540), and the General Fund (Fund 010)

6. Resolution No. 11664- A Resolution Authorizing the City Manager to Execute Construction Change Order No. 1 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project from the Facility Rehabilitation Fund (Fund 602) and Appropriation of Funds
***(pulled off calendar by the request of staff and continued to the 8/11/2026 City Council meeting)***

7. Resolution No. 11668- A Resolution Authorizing the City Manager to Enter Into an Employment Agreement for the Position of City Attorney

8. Resolution No. 11669- A Resolution Authorizing the City Manager to Execute an Agreement with UNICO Engineering, Inc. for Construction Management Services in the Amount of $200,422.55 from the Transportation Improvement Fund (Fund 446) for the Folsom Lake Crossing Safety Improvements Phase 2 Project, Project No. PW2601

9. Resolution No. 11670 - A Resolution Authorizing the City Manager to Execute a Consultant Services Agreement with Dewberry Engineers, Inc. for Construction Management and Inspection Services in the amount of $232,954.04 from the Measure A Fund (Fund 276) for the Pavement Resurfacing Project FY 25-26, Project No. 8017, and Appropriation of Funds

10. Resolution No. 11671 - A Resolution Ratifying the Execution of an Emergency Repair Contract with Doug Veerkamp General Engineering, Inc. in an amount Not to Exceed $548,662, an On-Call Construction Management Services Contract with Dewberry, Inc. in an amount Not to Exceed $38,195, and Appropriation of Funds from Gas Tax 2105 Fund (Fund 247) in the amount of $586,857 for the Glenn Drive Emergency Storm Drain Replacement Project

11. Resolution No. 11672 - A Resolution Ratifying the Execution of an Emergency Repair Contract with Doug Veerkamp General Engineering, Inc. in an amount Not to Exceed $253,197, an On-Call Construction Management Services Contract with Dewberry, Inc. in an amount Not to Exceed $16,146, and Appropriation of Funds from Gas Tax 2105 (Fund 247) in the amount of $269,343 for the Prewett Drive Emergency Storm Drain Replacement Project

12. Resolution No. 11673- A Resolution Finding the Riley Street Safety Improvement Project Exempt from CEQA Pursuant to State CEQA Guidelines Sections 15301 and Public Resources Code Section 21080.25

**Motion by Councilmember Aquino, second by Vice Mayor Rohrbough to approve the Consent Calendar Item Nos 3-5 and 7-12. Motion passed by the following roll-call vote:**

**AYES: Aquino, Kozlowski, Leary, Rohrbough**
**NOES: None**
**ABSENT: Raithel**
**ABSTAIN: None**

**ELECTION RELATED ITEMS:**

13. Resolution No. 11675 - A Resolution Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 3, 2026, Requesting the Board of Supervisors of the County of Sacramento Consolidate the General Municipal Election with the Statewide General Election, and Establishing Policies for Candidates' Statements

City Clerk Christa Freemantle introduced the item.

The following individual addressed the City Council:

- Scott Rafferty

**Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Resolution No. 11675. Motion passed by the following roll-call vote:**

**AYES: Aquino, Kozlowski, Leary, Rohrbough**
**NOES: None**

**ABSENT: Raithel**
**ABSTAIN: None**

14. Authorizing the Submission of a Ballot Measure to the Qualified Voters of the City to Amend City Charter Section 4.03 Related to Appointment of the City Attorney and Associated Operational Changes

    i. Resolution No. 11665 - A Resolution Authorizing Submission to the Qualified Voters of the City of Folsom at the General Municipal Election to be Held on Tuesday, November 3, 2026, a Ballot Measure Amending City Charter Section 4.03 to Have the City Council Appoint and Direct the City Attorney and to Make Related Operational Changes; Directing Outside Legal Counsel to Prepare an Impartial Analysis of the Proposed Measure; Authorizing the filing of Primary and Rebuttal Arguments and Setting Rules for the Filing of Written Arguments Regarding the Proposed Measure

    ii. Ordinance No. 1371 - An Ordinance of the People of the City of Folsom Amending Section 4.03, "City Attorney," of the City Charter to Have the City Council Appoint and Direct the City Attorney and to Make Related Operational Changes (Second Reading and Approval of Submission to Voters)

City Manager Bryan Whitemyer introduced the item. City Attorney Sari Dierking noted that language addressing potential operational changes would be included in the voter information guide should the measure proceed to the ballot.

The following individual addressed the City Council:

- Scott Rafferty

City Manager Bryan Whitemyer added comments and clarified the appointment of the City Attorney.

**Motion by Councilmember Kozlowski, second by Councilmember Leary to approve Resolution No. 11665.**

Vice Mayor Rohrbough noted that only two other California cities do not have the city attorney report directly to the city council, adding that this change received unanimous support during Charter Review Committee discussions. City Attorney Dierking clarified that Section 4.03(C)of the proposed charter amendment provides the City Council with the option to either hire an employee or contract out for city attorney services.

Councilmember Aquino reiterated her consistent stance that, while not necessarily disagreeing with the items, they are not urgent enough to justify the cost. She noted that knowing the true cost before the charter review might have changed her position, and indicated she would vote no.

**Councilmember Kozlowski's previous motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**

**ABSTAIN: None**

**Motion by Councilmember Kozlowski, second by Vice Mayor Rohrbough to approve the second reading of Ordinance No. 1371 and submission to voters. Motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**
**ABSTAIN: None**

15. Authorizing the Submission of a Ballot Measure to the Qualified Voters of the City to Amend City Charter Section 4.07 Related to Decision Making Authority of Boards and Commissions

    i. Resolution No. 11666 - A Resolution Authorizing Submission to the Qualified Voters of the City of Folsom at the General Municipal Election to be Held on Tuesday, November 3, 2026, a Ballot Measure Amending City Charter Section 4.07 to Confirm that the City Council May Grant Decision Making Authority to Boards and Commissions by Ordinance; Directing the City Attorney to Prepare an Impartial Analysis of the Proposed Measure, Authorizing the Filing of Primary and Rebuttal Arguments, and Setting Rules for the Filing of Written Arguments Regarding the Proposed Measure

    ii. Ordinance No. 1372 - An Ordinance of the People of the City of Folsom Amending Section 4.07, "Boards and Commissions," of the City Charter to Confirm that the City Council May Grant Decision Making Authority to Boards and Commissions by Ordinance (Second Reading and Approval of Submission to Voters)

Bryan Whitemyer introduced the item.

**Motion by Councilmember Leary, second by Councilmember Kozlowski to approve Resolution No. 11666. Motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**
**ABSTAIN: None**

**Motion by Councilmember Kozlowski, second by Councilmember Leary to approve the second reading of Ordinance No. 1372 and submission to voters. Motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**
**ABSTAIN: None**

16. Authorizing the Submission of a Ballot Measure to the Qualified Voters of the City to Amend Folsom Municipal Code Section 2.48.030 Related to Campaign Contribution Limits

    i. Resolution No. 11667 - A Resolution Authorizing Submission to the Qualified Voters of the City of Folsom at the General Municipal Election to be Held on Tuesday, November 3, 2026, a Ballot Measure Amending Folsom Municipal Code Section 2.48.030 to Increase the Campaign Contribution Limit from $150 to $500 per Donor per Election; Directing the City Attorney to Prepare an Impartial Analysis of the Proposed Measure; Authorizing the filing of Primary and Rebuttal Arguments and Setting Rules for the Filing of Written Arguments Regarding the Proposed Measure

    ii. Ordinance No. 1373 - An Ordinance of the People of the City of Folsom Amending Section 2.48.030, "Campaign Contribution Limitation", of the Folsom Municipal Code to Increase the Campaign Contribution Limit (Second Reading and Approval of Submission to Voters)

Bryan Whitemyer introduced the item.

The following individual addressed the City Council:

- Scott Rafferty

The City Council made additional comments.

**Motion by Councilmember Leary, second by Councilmember Kozlowski to approve Resolution No. 11667.**

Vice Mayor Rohrbough clarified the nature of the maximum campaign contribution limit.

**Councilmember Leary's motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**
**ABSTAIN: None**

**Motion by Councilmember Kozlowski, second by Vice Mayor Rohrbough to approve the second reading of Ordinance No. 1373 and submission to voters. Motion passed by the following roll-call vote:**

**AYES: Kozlowski, Leary, Rohrbough**
**NOES: Aquino**
**ABSENT: Raithel**
**ABSTAIN: None**

**PUBLIC HEARING:**

17. Resolution No. 11662- A Resolution of the City Council of the City of Folsom Approving and Confirming the Report of Delinquent Utilities Charges and Requesting Sacramento County to Collect Such Charges on the Tax Roll

Revenue Services Manager Elizabeth Hannah made a presentation and responded to questions from the City Council.

Hearing no requests to speak, the public hearing was opened and closed at 7:45 p.m.

**Motion by Councilmember Aquino, second by Councilmember Kozlowski to approve the revised Resolution No. 11662. Motion passed by the following roll-call vote:**

**AYES: Aquino, Kozlowski, Leary, Rohrbough**
**NOES: None**
**ABSENT: Raithel**
**ABSTAIN: None**

18. Ordinance No. 1375- An Ordinance of the City of Folsom Re-Adopting Ordinance 1353 To Amend Chapter 17.52 of the Folsom Municipal Code for the Historic District Relating to Design Review, Sign Permits, Demolitions, and Accessory Buildings (Introduction and First Reading) and Determination that the Action is Not Subject to CEQA'

Planning Manager Desmond Parrington made a presentation and responded to questions from the City Council. City Attorney Sari Dierking provided additional information regarding CEQA.

Vice Mayor Rohrbough opened the public hearing at 8:13 p.m.

The following individual addressed the council:

- Loretta Hettinger

Councilmember Kozlowski made additional comments.

The public hearing was closed at 8:23 p.m.

The City Council made additional comments and Planning Manager Desmond Parrington and City Attorney Sari Dierking provided additional information.

**Motion by Councilmember Aquino, second by Councilmember Leary to introduce and conduct the first reading of Ordinance No. 1375. Motion passed by the following roll-call vote:**

**AYES: Aquino, Kozlowski, Leary, Rohrbough**
**NOES: None**
**ABSENT: Raithel**
**ABSTAIN: None**

## CITY MANAGER REPORTS

Communications Director Christine Brainerd presented the City Manager's report on behalf of City Manager Bryan Whitemyer. She provided an update on Fourth of July public safety operations, highlighted the recent topping out ceremony for the Dignity Health Folsom medical complex, announced the upcoming Community Workshop for the East Bidwell Street Corridor Project, and promoted the upcoming National Night Out event.

## COUNCIL COMMENTS

Councilmember Aquino congratulated Sari Dierking on her appointment as City Attorney and thanked Vice Mayor Rohrbough for presiding over the meeting.

Councilmember Leary echoed congratulations to City Attorney Sari Dierking, expressing appreciation for her work over the past months.

Councilmember Kozlowski expressed gratitude to all who contributed to the success of the Hometown Parade and the Folsom Pro Rodeo, specifically recognizing the Folsom Fire and Police Departments for their support and for ensuring a safe Fourth of July celebration.

Vice Mayor Rohrbough thanked city staff and community members for attending the Castle Park grand opening. She commented on the cattle drive and mutton busting events and expressed appreciation to public safety personnel for enforcing illegal firework regulations, as well as fire crews for their response to a recent residential fire. She concluded her remarks by reminding the public of the upcoming City Council summer recess and noting that the next regular meeting is scheduled for August 11, 2026.

## ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:31 p.m.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk

ATTEST:

_____
Anna Rohrbough, Vice Mayor

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 08/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Appointment of Primary and Alternate Voting Delegates for the League of California Cities 2026Annual Conference |
| **FROM:** | City Clerk's Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council designate Councilmember Barbara Leary and Mayor Justin Raithel as the primary and alternate voting delegates, respectively, for the League of California Cities 2026 Annual Conference business meeting.

**BACKGROUND / ISSUE**

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is comprised of voting delegates appointed by each member city and presents an important opportunity where city officials can directly participate in the development of Cal Cities policy.

The appointed voting delegate plays an important role during the General Assembly by representing the city and voting on resolutions. To cast a vote during the General Assembly, each city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Councilmember Barbara Leary and Mayor Justin Raithel both indicate they will attend the Annual Conference and are willing to serve as the voting delegates.

Respectfully submitted,

Christa Freemantle, CMC
City Clerk

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 08/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Appointment of Representatives to the Sacramento Central Groundwater Authority (SCGA) Governing Board for the Four-Year Term Ending August 2030 |
| **FROM:** | City Clerk's Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council appoint Utilities Director Marcus Yasutake as the City of Folsom's primary representative and Councilmember Barbara Leary as the alternate representative to the Sacramento Central Groundwater Authority (SCGA) Governing Board to fill the four-year term ending in August 2030.

**BACKGROUND / ISSUE**

The Sacramento Central Groundwater Authority (SCGA) is a joint powers authority responsible for managing and coordinating groundwater resources within the South American Subbasin, in accordance with the Sustainable Groundwater Management Act (SGMA). The City of Folsom is a participating member agency of the SCGA and holds a designated seat on its Governing Board. The Governing Board plays a critical role in overseeing groundwater sustainability planning, policy development, and implementation of regional groundwater management strategies. Appointing representatives will support the City's ongoing engagement in regional groundwater governance and help protect Folsom's interests in long-term groundwater sustainability efforts.

Utilities Director Marcus Yasutake and Councilmember Barbara Leary are currently serving as the City's representatives to SCGA, and have indicated their willingness to continue serving in this capacity.

**POLICY / RULE**

Pursuant to the SCGA Joint Powers Agreement, the City of Folsom's representative on the Governing Board shall be appointed by the City Council and shall serve a four-year term.

Submitted,

Christa Freemantle, CMC
City Clerk

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 08/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Appointment of At-Large Parks and Recreation Commissioner to Fill the Remainder of the Term Ending December 2026 |
| **FROM:** | City Clerk's Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council appoint former Parks and Recreation Commissioner Will Kempton as an at-large member of the Parks and Recreation Commission to fill the unexpired term ending in December 2026.

**BACKGROUND / ISSUE**

The Parks and Recreation Commission advises the City Council and City Manager on the development and administration of all municipal park and recreation programs, parks, and facilities, and provides recommendations to the Parks and Recreation Department (FMC 4.05.040).

The Commission consists of seven members: five members individually appointed by each Councilmember, and two at-large members appointed collectively by the City Council.

**POLICY / RULE**

Folsom Municipal Code Section 4.05.011 states, in part, that:
"...each councilmember shall appoint 1 parks and recreation commission member whose term shall run concurrent with that of the councilmember so appointing. Two additional members shall be appointed by the council for 2-year terms."

Folsom Municipal Code Section 4.05.013 states, in part, that:
"...If the office of a member of the parks and recreation commission appointed by the council becomes vacant, the council shall fill the vacancy by appointing a parks and recreation commission member whose term shall run for the unexpired term of the former incumbent."

**ANALYSIS**

A vacancy currently exists for one of the at-large commission seats due to the resignation of Commissioner Alayna Wagner, effective July 31, 2026. The unexpired term for this seat concludes in December 2026.

Under normal circumstances, the City would launch a formal public recruitment process to fill the vacancy. This process typically requires approximately four to five weeks, encompassing:

- A two-week public advertising and application period
- One to two weeks for Council review of applications
- Formal appointment at the next regularly scheduled Council meeting

Under this timeline, an appointment would not occur until sometime in September 2026. This would leave a newly appointed commissioner with only a three-to-four-month tenure. A significant portion of this brief term would be spent on onboarding, training, and bringing the new commission member up to speed on departmental operations, budgets, and active projects before they could effectively participate and vote.

In light of this, the Parks and Recreation Director and the Mayor evaluated options to address the vacancy efficiently. While leaving the seat vacant until the regularly scheduled recruitment in January 2027 was considered, securing a highly experienced former commissioner to bridge the gap was identified as a more beneficial alternative.

Former Commissioner Will Kempton was proposed for this short-term role. Having previously served on the Parks and Recreation Commission, Mr. Kempton is thoroughly familiar with the department's programs, operations, and current projects. He has expressed his willingness to step in and serve in this interim capacity.

**CONCLUSION**

Given the administrative staff time and fiscal resources required to conduct a full recruitment, process applications, and onboard a brand-new commissioner for a term of less than four months, appointing an experienced former commissioner is a highly practical and fiscally responsible solution. This approach ensures the Commission remains at full strength without disrupting departmental resources.

A formal, city-wide recruitment for all at-large commission seats will be conducted later this fall, in preparation for the standard two-year terms beginning in January 2027.

Respectfully submitted,

Christa Freemantle, CMC
City Clerk

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Ordinance No. 1375 - An Ordinance of the City of Folsom Re-Adopting Ordinance 1353 To Amend Chapter 17.52 of the Folsom Municipal Code for the Historic District Relating to Design Review, Sign Permits, Demolitions, and Accessory Buildings (Second Reading and Adoption) and Determination that the Action is Not Subject to CEQA |
| **FROM:** | Community Development Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

Conduct the second reading of and adopt Ordinance No. 1375 - An Ordinance of the City of Folsom Re-Adopting Ordinance 1353 to Amend Chapter 17.52 of the Folsom Municipal Code for the Historic District Relating to Design Review, Sign Permits, Demolitions, and Accessory Buildings, and determine that the action is not subject to CEQA.

**BACKGROUND / ISSUE**

On October 28, 2025, the Folsom City Council approved modifications to Folsom Municipal Code Chapter 17.52 to move design review of smaller projects to Director-level review, to exempt certain projects from design review (except when a building or site is considered a historic resource), to move sign permit review to Director-level review, to move non-historic demolitions to Director-level review, to further limit the height, size, and setback requirements for accessory buildings, and to modify historic district entitlement expirations and extensions to be consistent with regulations outside of the Historic District. As part of that action, City Council determined that the code amendments were exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) ("Review for Exemption"), which is the "common sense exemption" that states that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

While the code changes went into effect and are applicable to projects in the Historic District now, the CEQA determination was legally challenged in April of 2026. At their June 17, 2026 meeting,

the Planning Commission voted unanimously (5-0-2) to recommend that City Council re-adopt the amendments with the expanded CEQA discussion and findings. As part of that recommendation, the Planning Commission also recommended that City Council consider instructing staff to re-consider as part of the readoption process excluding all fencing types except chain link (which is not allowed) from Design Review in the Historic District and instead include the list of inappropriate fencing styles listed in the Historic District Design and Development Guidelines (DDGs) as prohibited fence styles in the ordinance instead. In addition, the Planning Commission, as part of their recommendation to the City Council, also recommended that the Council instruct staff to modify FMC Chapter 17.52 as a whole as part of the overall zoning code update process rather than doing that as part of a second phase.

The Historic District Commission (HDC) at their June 24, 2026 meeting also voted (4-1-2) to recommend that City Council re-adopt the amendments with modified CEQA discussion and findings. However, as part of that recommendation, the Historic District Commission recommended that additional changes not be recommended as part of the re-adoption, and instead, the HDC recommended that the City Council instruct staff to prepare objective design standards for the Historic District.

Please note that this item was presented to the Planning Commission as well as the Historic District Commission even though it only relates to the Historic District. This is because of language in the State Government Code Section 65854 that states the Planning Commission shall hold a public hearing on any change to a zoning ordinance.

On July 14, 2026, the City Council introduced and conducted a first reading of Ordinance No. 1375. After discussion, the Council voted unanimously to move introduction and first reading of the ordinance. No changes have been made to the ordinance since the first reading.

**POLICY / RULE**

Under Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

There are four policies from the City's 2035 General Plan that relate directly to the Historic District. These policies are:

- LU 1.1.9: Preserve Historic Resources: Recognize the importance of history in the City of Folsom, and preserve historic and cultural resources throughout the city, to the extent feasible.

- LU 6.1.2: Historic Folsom Residential Areas: Preserve and protect the residential character of Historic Folsom's residential areas.

- NCR 5.1.4: Applicable Laws and Regulations: Ensure compliance with City, State, and Federal historic preservation laws, regulations, and codes to protect and assist in the preservation of historic and archeological resources, as listed in the City of Folsom Historic Preservation Master Plan, including the use of the California Historical Building Code as applicable, including, but not limited to, Senate Bill 18, Assembly Bill 52, Appendix G to

the CEQA Guidelines, and, where applicable, Section 106 of the National Historic Preservation Act.

- NCR 5.1.6: Historic District Standards: Maintain and implement design and development standards for the Historic District

In addition, the Historic District chapter of the Zoning Code provides the intent behind the chapter:

- 17.52.010 Purpose and intent.
  A. The city council intends to actively promote the purposes of this chapter by (1) creating incentives for residents, property owners and businesses, (2) encouraging cooperation in attaining the purposes set forth in this chapter, and (3) providing a simple, fair and effective system of enforcement of the regulations contained in this chapter.

  B. The purposes of this chapter are:
     1. To preserve and enhance the historic, small-town atmosphere of the historic district as it developed between the years 1850 and 1950;
     2. To maintain, restore, and reconstruct historic structures and sites within the historic district;
     3. To encourage an active business climate which promotes the development of a diverse range of businesses compatible with the historic district as it developed between the years 1850 and 1950;
     4. To retain the residential areas within the historic district;
     5. To ensure that new residential and commercial development is consistent with the historical character of the historic district as it developed between the years 1850 and 1950;
     6. To increase the awareness, understanding, and appreciation of the history of the city; and
     7. To preserve and enhance open space areas.

## ANALYSIS

No changes are proposed to the Zoning Code beyond what was previously approved by City Council on October 28, 2025. A copy of the staff report associated with those changes is provided in Attachment 1. As shown in the General Plan and Folsom Municipal Code Consistency section of Attachment 1, the Zoning Code update is consistent with the policies of the City's 2035 General Plan as well as the Intent sections of Chapter 17.52 of the Folsom Municipal Code. In conducting subsequent review, staff found that the Environmental Review section provided in the original staff report lacked detail to sufficiently explain why the amendments are not subject to CEQA. In the updated Environmental Review section of this report, staff provides more comprehensive analysis in support of CEQA Guidelines Section15061(b)(3) that determined that the ordinance is not subject to CEQA, as well as analysis in support of additional CEQA exemptions applicable to this action. This additional analysis provides a more comprehensive Environmental Review section as part of the public record and in support of staff's recommendation that the modifications to FMC Chapter 17.52 are not subject to CEQA and that the City Council re-adopt the previously enacted modifications to Folsom Municipal Code Chapter 17.52.

## FINANCIAL IMPACT

Staff anticipates that re-adoption of the code changes will continue to lead to fewer staff resources being spent on preparing staff reports and meeting materials for HDC meetings, freeing up limited existing staff resources for larger-scale efforts such as completing the Zoning Code update and preparing objective design standards. Re-adoption would also result in fewer (or shorter) HDC meetings, which reduces the amount of compensatory time used by staff attending those meetings. As such, staff anticipates that the proposed re-adoption would have a positive financial impact on City funds.

## ENVIRONMENTAL REVIEW

The amendments to the Folsom Municipal Code discussed in this report are not a project for purposes of CEQA because CEQA only applies to activities that may cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Because changing which body (HDC or City staff) will process the minor approvals covered by these amendments does not have the potential to cause a physical change in the environment directly or indirectly, the amendments are not a project subject to CEQA. (Public Resources Code §§ 21065; 21080(b)(1), (9); CEQA Guidelines §§ 15060(c), (2), (3); 15378(b)(2), (5).) If for any reason these amendments are considered a project, they are exempt from CEQA review. (See Pub. Resources Code, § 21000 et seq; Cal. Code Regs., tit. 14, div. 6, ch. 3.) Specifically, the amendments are exempt under the Common Sense exemption (Section 15061(b)(3)), the Ministerial exemption (Section 15268), the Existing Facilities exemption (Section 15301), the Small Structures exemption (Section 15303), and the Installation of Solar Energy System Exemption (Public Resources Code section 21080.35). None of the exceptions to exemptions contained in Section 15300.2 of the CEQA Guidelines are present. Finally, the code amendments are exempt under Public Resources Code section 21080.1. (*See also Cal. Farm Bureau Federation v. Cal. Wildlife Conservation Bd.* (2006) 143 Cal.App.4th 173, 191 [permitting application of several exemptions from CEQA for a single project].) Each of the exemptions are discussed below.

**Common Sense Exemption** – As explained in section 15061 of the CEQA Guidelines, the Common Sense exemption acknowledges that "CEQA applies only to projects which have the potential for causing a significant effect on the environment" and thus exempts activities "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." (14 CCR § 15061(b)(3).) The ordinance amendments discussed in this report do not have the potential to cause a significant effect on the environment. As described in greater detail above, the modifications largely change the administrative process for design review in the Folsom Historic District. They do not affect allowed uses for affected properties. The administrative changes that merely modify applicable reviewing bodies will not result in any significant impact to the environment. The applications for design review will be held to the same existing standards, but under these amendments, may be subject to review or approval by a different reviewing body. Thus, the applications will be subject to the existing design standards, which will not result in any significant environmental impacts.

Nor will the ordinance amendment's exemption of certain very small projects from design review have potential to cause any significant impacts on the environment. These exemptions include replacement of existing roof materials, replacement of existing windows and doors, changes to exterior building colors, certain patio covers and trellises, certain privacy fencing and walls, aboveground spas and hot tubs, and outdoor cooking facilities not visible from the street. In the case of replacements, the materials would need to be aesthetically similar to the original to remain exempt. These types of modifications, all to existing developed properties, will not cause significant effects on the environment. The modifications will be minimal and aesthetically similar to existing conditions, and several of the project types exempted from design review are required to be located in side or rear yards for the exemption to apply. Several of the very small projects, including like-for-like structural replacements, residential re-painting, privacy walls/fences, and solar panels were already not going through design review based on the City's consistent past practice and thus, would not result in any change from baseline conditions for those projects. A majority of those projects do not require a building permit or other entitlement from the City. When a permit is required, it is ministerial. As a result, formally exempting these projects from design review simply conforms the FMC to existing practice with no change to operations. Additionally, the ordinance amendments specifically exclude from the design review exemption any project involving buildings or properties in the City's Cultural Resources Inventory or located on an existing or potentially eligible historical resource. This will further ensure that there are no significant impacts to the environment, including historical resources. Given each of these considerations, the ordinance amendments could not have a significant effect on the environment. Accordingly, the Common Sense exemption applies to the ordinance amendments.

**Ministerial Exemption** – "Ministerial projects are exempt from the requirements of CEQA." ( (14 CCR § 15268.) Ministerial projects are those "governmental decision[s] involving little or no personal judgment by the public official as to the wisdom or manner of carrying out the project. The public official merely applies the law to the facts as presented but uses no special discretion or judgment in reaching a decision." (CEQA Guidelines, § 15369.)

The ordinance amendment's inclusion of solar panel installation in the design review exemption is ministerial. Under state law, the City's review of solar panel permits is limited to health and safety considerations. (Gov. Code, § 65850.5); therefore, the City has no discretion to impose design review restrictions. As such, the solar panel exemption from design review is ministerial and exempt from the requirements of CEQA. Similarly, Government Code section 66321 restricts the City from imposing design review on certain Accessory Dwelling Units (ADU). The City does not have discretion to impose design review, and thus, the design review exemption for certain ADUs is ministerial and exempt from the requirements of CEQA. In addition, to the extent that a building permit is required for installation of a fence or any of the other minor modifications exempt from design review under FMC Section 17.52.300(C)(1), such approvals are ministerial in nature and as such are exempt from the requirements of CEQA.

**Class 1 Categorical Exemption** – Under Section 15301 of the CEQA Guidelines, the Class 1 exemption "consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use." (14 CCR § 15301.) Categorical exemptions are those "classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA." ((14 CCR § 15300.) This ordinance amendment's exemption for very small projects falls under this Class 1 CEQA exemption. The very small projects under this ordinance would allow for "repairs," "maintenance," and "minor alterations" to existing developed structures, such as the ordinance amendment's exemption from design review for roof replacements, doors and windows replacements, and other minor alterations to existing structures allowed under the proposed ordinance. The projects exempt from design review under the new ordinance would not allow for any expansion of existing uses. As such, in addition to falling under the Common Sense exemption, several amendment components would also qualify for the Class 1 Categorical Exemption under CEQA.

**Class 3 Categorical Exemption** – The Class 3 Categorical Exemption for New Construction or Conversion of Small Structures also applies to the ordinance amendments. Under section 15303 of the CEQA Guidelines, projects consisting of "construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures…" (14 CCR § 15303.) This includes, "accessory (appurtenant) structures including garages, carports, patios, swimming pools, and fences." (14 CCR § 15300(e).) Accordingly, the ordinance amendment's exemption of fences, hot tubs, outdoor kitchens, and patios qualify for the Class 3 Categorical Exemption under CEQA, in addition to the Common Sense exemption.

**Exceptions to Categorical Exemptions** – Section 15300.2 of the CEQA Guidelines sets forth exceptions to the categorical exemptions. None of these exceptions apply. The ordinance amendments would not result in any significant cumulative environmental impact, because there is no substantial evidence in the City's record demonstrating that the amendments would result in any significant increase in impacts in the Historic District by virtue of just changing the design review process, which still protects listed and potentially eligible historic resources. It is important

to note that the Historic District as a whole is not listed as a historic resource on the federal, state, or local registry. Rather, individual properties within the Historic District are listed on one or more registries. Other properties within the Historic District may be eligible for listing as a historic resource, as defined by CEQA Guidelines Section 15064.5 or the adopted City of Folsom historic preservation master plan. Staff recognizes the potential for development projects within the Historic District to impact historic resources. To address that possibility, staff specifically included within the ordinance amendments a provision that projects involving buildings or properties on the City's cultural resources inventory as well as properties located on an existing or potentially eligible historic resource are subject to design review and Historic District Commission approval. (See FMC section 17.52.300(C)(1)(i).)

Additionally, the ordinance amendments do not involve any unusual circumstances, because creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government, and as explained above, these changes will not have any significant effects on the environment. And lastly, there is no reasonable possibility that the ordinance amendments will cause any significant impacts on scenic highways, hazardous waste sites, or historical resources.

As explained, certain of the ordinance amendments are statutorily exempt from CEQA review under CEQA Guidelines Section 15282(h), which includes "the adoption of an ordinance regarding second units in a single-family or multifamily residential zone by a city to implement provisions of Sections 65852.1 and 65852.2 of the Government Code, as set forth in 21080.17 of the Public Resources Code." Under California Public Resources Code Section 21080.17, CEQA "does not apply to the adoption of an ordinance by a city or county to implement Section 65852.1 of, or Article 2 (commencing with Section 66314) or Article 3 (commencing with Section 66333) of Chapter 13 of Division 1 of Title 7 of, the Government Code," which is California's ADU and JADU law. Therefore, the adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements State ADU and JADU law.

**Public Resources Code section 21080.35** – The ordinance amendments are statutorily exempt from CEQA review under Public Resources Code section 21080.35, which states in pertinent part that CEQA "...does not apply to the installation of a solar energy system on the roof of an existing building or at an existing parking lot." The statute defines "solar energy system" to include all associated equipment. Associated equipment necessary to connect the energy generated to the electrical grid may be located immediately adjacent to the parcel of the building or immediately adjacent to the parcel of the building and separated by an improved right-of-way. To the extent the ordinance amendments apply to solar panels on the roof of an existing building or at an existing parking lot, they are exempt from CEQA under this statute. Staff has not seen and does not anticipate receiving applications for the installation of solar panels on property within the Historic District that include a proposal to install solar panels anywhere other than the roof of an existing building or at an existing parking lot.

**ATTACHMENTS**

1. Ordinance No. 1375 – An Ordinance of the City of Folsom Re-Adopting Ordinance 1353 To Amend Chapter 17.52 of the Folsom Municipal Code for the Historic District Relating to Design Review, Sign Permits, Demolitions, and Accessory Buildings
2. Previously Approved Modifications to FMC Chapter 17.52 (Strikethrough/Underline Version)
3. Public Comments Received

Submitted,

PAM JOHNS
Community Development Director

Attachment 1

# ORDINANCE NO. 1375

## AN ORDINANCE OF THE CITY OF FOLSOM RE-ADOPTING ORDINANCE 1353 TO AMEND CHAPTER 17.52 OF THE FOLSOM MUNICIPAL CODE FOR THE HISTORIC DISTRICT RELATING TO DESIGN REVIEW, SIGN PERMITS, DEMOLITIONS, AND ACCESSORY BUILDINGS

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this ordinance is to re-adopt amendments to certain sections of Chapter 17.52 in the Folsom Municipal Code to move design review of small projects to director-level approval, to exempt certain projects from design review, to move sign permit review to director-level approval, to move non-historic demolitions to director-level approval, to further limit the height, size, and setback requirements for accessory buildings, and to modify historic district entitlement expirations and extensions to be consistent with regulations outside of the historic district.

**SECTION 2**

Section 17.52.130 of the Folsom Municipal Code is hereby re-adopted to read as follows:

**17.52.130 Administrative Support**

The community development director, previously referred to as the planning, inspections and permitting director, shall be responsible for the administration of this chapter and shall assist the historic district commission in performing its functions. The director shall carry out those additional duties delegated by the historic district commission.

**SECTION 3**

Sections 17.52.300 through 17.52.390 of the Folsom Municipal Code are hereby re-adopted to read as follows:

**17.52.300 Design review.**

A. Except as otherwise provided in subsection (B), the design and architecture of the following projects shall be submitted to the historic district commission for review and approval under the provisions of this chapter:

1. All new office, industrial, commercial and residential buildings, excluding accessory buildings as defined in Section 17.02.020 and accessory dwelling units as regulated by Section 17.52.300(D);

2. All exterior renovation, remodeling, modification or addition to existing buildings located on properties listed in the City's Cultural Resources Inventory or located on an existing or potentially eligible historic resource, as defined by the California

Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan;

3. All additions to existing buildings over twenty-five percent of the total square footage of the existing building or over 500 square feet, whichever is less, except additions to accessory buildings, as regulated by Section 17.52.300(B)(3) and additions to accessory dwelling units as regulated by Section 17.52.300(D)

4. Projects which are part of a planned development or a tentative map.

5. Proposed project design guidelines and standards and revisions to existing design guidelines and standards.

B. The design and architecture of the following projects shall be submitted to the community development director for review and approval under the provisions of this chapter:

1. All exterior renovation, remodeling, or modification to existing buildings, except those exempted under section 17.52.300(C), and those regulated under 17.52.300(A)(2);

2. All additions to existing buildings under twenty-five percent of the total square footage of the existing building or under 500 square feet, whichever is less, except additions to accessory buildings, as regulated by Section 17.52.300(B)(3) and additions to accessory dwelling units, as regulated by Section 17.52.300(D);

3. All new accessory buildings, including but not limited to garages and sheds, and any addition to such buildings, except those regulated under 17.52.300(A)(2) and 17.52.300(D)(1).

C. The following types of projects are exempt from the design review process under this chapter:

1. Minor modifications including:

a. replacement of existing building and roof materials with similar materials,

b. replacement of existing windows and doors with similar windows and doors,

c. changes to exterior colors on residential buildings,

d. patio covers, gazebos, pergolas and trellises under 200 square feet in size and located outside of the front, side, and street side yards,

e. privacy walls and fencing, excluding chain link, which is not allowed,

f. aboveground spas and hot tubs located outside of the front and street side yards,

g. solar panels,

h. outdoor cooking facilities located outside of the front and street side yards, and

i. other projects that the director deems similar in material, design, and scope to those listed, except projects involving buildings or properties on the City's Cultural Resources Inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan, which are subject to historic district commission approval.

D. Final approval authority relating to the design and architecture of accessory dwelling units and additions to such buildings within the historic district boundaries shall be as follows:

1. The historic district commission shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on height, and any new garage or other attached conditioned or unconditioned space proposed along with such an accessory dwelling unit.

2. The historic district commission shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on height.

3. The community development director shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on square footage, and any other attached space proposed along with such an accessory dwelling unit.

4. The community development director shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on square footage.

**17.52.310 Design review submittal requirements.**

The applicant shall file the following information with the community development director for design review:

A. Completed and signed application form including name, address, email address, telephone number of the applicant, and agent authorization from the property owner if the applicant is not the property owner;

B. Application fee as established by resolution of the city council;

C. A copy of all entitlements granted for the property by the city, including conditions of approval and the environmental documentation;

D. A copy of all required state and federal permits;

E. Site plan;

F. Building design plans/elevations;

G. Material samples and color board;

H. Project narrative describing the proposed project and how it is consistent with the requirements of Section 17.52 and any applicable design guidelines;

I. Recent photographs of the project site taken within 30 days prior to the submittal which accurately depict the project location; and

J. Other material and information as requested by the commission or community development director.

**17.52.320 Notice and posting of site for design review.**

The provisions of Section 17.06.070 A and B shall apply within the historic district. In addition, a notice containing the project description and the time and place of the meeting for design review of a proposed project shall be posted on the City website and mailed to property owners directly adjacent to the project site at a time reasonably expected to give at least five days before the commission meeting or director level meeting. As used in this section, “directly adjacent to the project site” also includes properties located directly across an alley, street or public right-of-way from the project site.

**17.52.330 Plan evaluation for design review.**

In reviewing projects for design review, the historic district commission or community development director shall consider the following criteria:

A. Project compliance with the General Plan and any applicable zoning ordinances;

B. Conformance with any city-wide design guidelines and historic district design and development guidelines adopted by the city council;

C. Conformance with any project-specific design standards approved through the planned development permit process or similar review process; and

D. Compatibility of building materials, textures and colors with surrounding development and consistency with the general design theme of the neighborhood.

**17.52.340 Approval process for design review.**

A. The community development director or the historic district commission, in exercising design review authority under this chapter, shall make the decision to approve, conditionally approve or deny the design review application with findings based on the criteria established in Section 17.52.330. A copy of the decision, findings and any applicable conditions shall be provided in writing to the applicant.

B. Projects that are subject to director-level review may be elevated to the historic district commission for review at the discretion of the community development director. The applicant may request to elevate a director-level design review to the historic district commission. The request shall be granted upon payment of the commission-level design review application fee established by resolution of the city council and any other applicable fees.

C. The community development department shall provide a summary to the historic district commission of all design review projects within the historic district approved at the director level. Such review will allow the commission to provide input to the department concerning the appropriateness of the approvals and help the commission and the department develop a consistent approach to design review. The historic district commission may not overturn the decision of the community development department unless an appeal has been filed pursuant to Section 17.52.700.

**17.52.350 Design Review expiration and extension of approval.**

A. A design review approval shall be null and void unless the applicant submits a complete application for a building permit within two years from the date of approval.

B. The community development director or the historic district commission, in exercising design review authority under this chapter, may extend an approval for an additional 1 year upon receipt of a written request accompanied by a fee, as may be established by resolution of the city council, and other information deemed necessary by the community development director. Requests for approval extension must be received before the original approval expires.

**17.52.360 Conditional use permit review.**

A. The historic district commission shall have final authority relating to the issuance of conditional use permits for any of the uses or purposes for which such permits are required or permitted by the terms of this title, as well as the expiration and extension of such permits, within the boundaries of the historic district.

B. In acting upon applications for conditional use permits, the historic district commission shall adhere to the procedural requirements set forth in Chapter 17.60, except for matters of appeal, which shall be governed by this chapter.

**17.52.370 Variance review.**

A. The historic district commission shall have final authority relating to application for variances from any of the provisions of this title, as well as the expiration and extension of such requests, within the boundaries of the historic district.

B. In acting upon applications for variances, the historic district commission shall adhere to the procedural requirements set forth in Chapter 17.62, except for matters of appeal, which shall be governed by this chapter.

**17.52.380 Sign permit review.**

A. The community development director shall have final approval authority relating to the issuance of sign permits for any signs for which such permits are required by this title, within the boundaries of the historic district.

B. The provisions of Chapter 17.59 are applicable in the historic district as modified by this chapter and any adopted design and development guidelines. In acting upon applications for sign permits, the community development director shall adhere to the procedural requirements set forth in Chapter 17.59, except for matters of appeal, which shall be governed by this chapter.

C. Any sign permit application may be elevated to the historic district commission for review at the director's discretion. The applicant may also request to elevate a director-level sign permit review to the historic district commission upon payment of the commission-level sign permit review application fee established by resolution of the city council. Notice and posting shall be required for all sign permits elevated to the historic district commission, consistent with section 17.52.320.

D. Buildings with multiple tenants shall be required to submit a uniform signage program (USP) for historic district commission approval, as described in Sections 17.52.510 through 17.52.560. Notice and posting shall be required, consistent with section 17.52.320.

**17.52.390 Environmental review.**

Review by the community development director and historic district commission of applications for conditional use permits, sign permits, variances, design review, and other entitlements is subject to the requirements of the California Environmental Quality Act (CEQA). The historic district commission, in exercising its review authorities under this chapter, is authorized to hold public hearings on negative declarations, mitigated negative declarations, draft environmental impact reports and final environmental impact reports prepared on applications for the above permits or for design review. The community development director and historic district commission shall not approve applications prior to considering the applicable environmental document or exemption and complying with the requirements of CEQA and any city procedures for preparation and processing of environmental documents.

**SECTION 4**

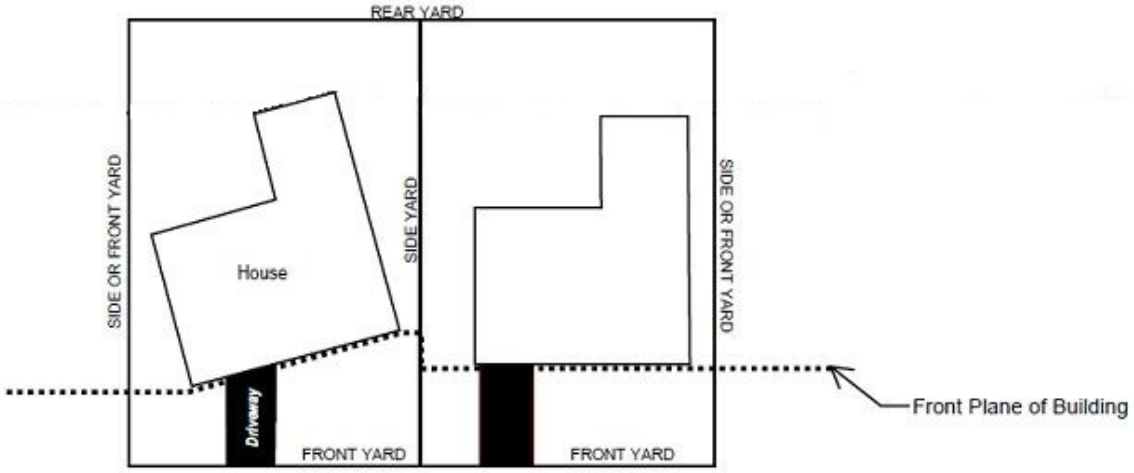
Section 17.52.480 of the Folsom Municipal Code is hereby re-adopted to read as follows:

**17.52.480 Accessory buildings.**

A. Accessory buildings, as defined in Section 17.02.020, are subject to the following development standards within the historic district (with the exception of accessory dwelling units):

1. Height. Accessory buildings shall not exceed fifteen feet in height, as measured using the methodology in Section 17.02.110. An accessory building shall not be taller than the primary building on the lot as measured from finished grade of each building.

2. Setbacks. Accessory buildings shall be set back a minimum of twenty feet from the front yard lot line, five feet from the rear yard lot line, five feet from the interior side-yard lot line, ten feet from the street side-yard lot line and five feet from all other buildings on the property. In no instance shall any portion of an accessory building be located in front of the front plane of the primary building. In the case of a corner lot abutting upon two streets, no detached accessory building shall be erected, altered or moved so as to occupy any part of the front half of such lot.




3. Size. Detached accessory buildings (with the exception of accessory dwelling units) may occupy a maximum of fifty percent of the area of a required rear yard. The total square footage of all accessory buildings on a single parcel, excluding residential accessory dwelling units, shall not exceed 50 percent of the total square footage of the primary building on the same parcel.

**SECTION 5**

Section 17.52.660 of the Folsom Municipal Code is hereby re-adopted to read as follows:

**17.52.660 Demolition review.**

A. The demolition of a building originally constructed less than 50 years before submittal of a demolition permit application that is located in the historic district is exempt from review under this Chapter.

B. Review and approval of a Historic District Demolition application is required before the demolition of a building originally constructed 50 or more years prior to submittal of a demolition permit that is located in the historic district.

1. The applicant shall file the following information with the community development director:

a. Completed and signed application form including name, address, email address, and telephone number of the applicant;

b. An application fee as established by resolution of the city council;

c. All available information related to the age of the structure.

d. Other material and information as requested by the director.

2. Prior to a decision by the community development director to approve a Historic District Demolition application, notice and posting shall be required, consistent with section 17.52.320.

3. The historic district commission shall have final authority relating to the review and approval of Historic District Demolition applications involving existing or potentially eligible historic resources, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan.

a. Upon determination by the community development director that the building proposed for demolition is an existing or potentially eligible historic resource, notice and posting shall be required, consistent with section 17.52.320.

b. Before authorizing the demolition of a building determined by the community development director to be an existing or a potentially eligible historic resource, the historic district commission shall consider the following factors:

i. Whether the public health, safety and/or welfare warrant the demolition;

ii. What accommodations can be provided to the owner of the property to make it feasible for the owner to preserve the property;

iii. Whether the owner of the property is willing to sell the property to a buyer who wishes to preserve the property;

iv. Whether a public entity wishes to acquire the property through exercise of the power of eminent domain in order to preserve the property.

4. The community development director shall have final authority relating to the review and approval of all Historic District Demolition applications not involving an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan.

5. Prior to approval of a Historic District Demolition application, the applicant shall provide documentation of the structure for the historical record. Documentation shall include photographs of all sides of the structure, details of unique or representative construction features, and any history of the structure known to, or reasonably obtainable by, the applicant.

6. If the community development director cannot determine whether the building proposed for demolition was originally constructed more than 50 years prior to application for a demolition permit based on permitting files or other provided information, the proposed demolition will be subject to the Historic District Demolition process described in Section 17.52.660(B).

## SECTION 6 SCOPE

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

## SECTION 7 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

## SECTION 8 NO MANDATORY DUTY

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards

persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**SECTION 9 EFFECTIVE DATE**

This ordinance shall become effective on September 11, 2026, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on July 14, 2026 and the second reading occurred at the regular meeting of the City Council on August 11, 2026.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

**Modifications to FMC Chapter 17.52 (Strikethrough/Underline Version)**

Section 17.52.130 of the Folsom Municipal Code is amended to read as follows:

**17.52.130 Administrative Support**

The community development director, previously referred to as the planning, inspections and permitting director, shall be responsible for the administration of this chapter and shall assist the historic district commission in performing its functions. The director shall carry out those additional duties delegated by the historic district commission.

Sections 17.52.300 through 17.52.390 of the Folsom Municipal Code are amended to read as follows:

**17.52.300 Design review.**

A. Except as otherwise provided in subsection (B), the design and architecture of the following projects shall be submitted to the historic district commission for review and approval under the provisions of this chapter:

~~A~~1. All new office, industrial, commercial and residential ~~structures~~buildings, excluding accessory buildings as defined in Section 17.02.020 and accessory dwelling units as regulated by Section 17.52.300(D);

~~and~~

~~B~~2. All exterior renovation~~s~~, remodeling, modification or addition to existing ~~structures~~buildings located on properties listed in the City's Cultural Resources Inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan;~~.~~

3. All additions to existing buildings over twenty-five percent of the total square footage of the existing building or over 500 square feet, whichever is less, except additions to accessory buildings, as regulated by Section 17.52.300(B)(3) and additions to accessory dwelling units as regulated by Section 17.52.300(D)

4. Projects which are part of a planned development or a tentative map.

5. Proposed project design guidelines and standards and revisions to existing design guidelines and standards.

B. The design and architecture of the following projects shall be submitted to the community development director for review and approval under the provisions of this chapter:

1. All exterior renovation, remodeling, or modification to existing buildings, except those exempted under section 17.52.300(C), and those regulated under 17.52.300(A)(2);

2. All additions to existing buildings under twenty-five percent of the total square footage of the existing building or under 500 square feet, whichever is less, except additions to accessory buildings, as regulated by Section 17.52.300(B)(3) and additions to accessory dwelling units, as regulated by Section 17.52.300(D);

3. All new accessory buildings, including but not limited to garages and sheds, and any addition to such buildings, except those regulated under 17.52.300(A)(2) and 17.52.300(D)(1).

C. The following types of projects are exempt from the design review process under this chapter:

1. Minor modifications including:

a. replacement of existing building and roof materials with similar materials,

b. replacement of existing windows and doors with similar windows and doors,

c. changes to exterior colors on residential buildings,

d. patio covers, gazebos, pergolas and trellises under 200 square feet in size and located outside of the front, side, and street side yards,

e. privacy walls and fencing, excluding chain link, which is not allowed,

f. aboveground spas and hot tubs located outside of the front and street side yards,

g. solar panels,

h. outdoor cooking facilities located outside of the front and street side yards, and

i. other projects that the director deems similar in material, design, and scope to those listed, except projects involving buildings or properties on the City's Cultural Resources Inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan, which are subject to historic district commission approval.

D. Final approval authority relating to the design and architecture of accessory dwelling units and additions to such buildings within the historic district boundaries shall be as follows:

1. The historic district commission shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on height, and any new garage or other attached conditioned or unconditioned space proposed along with such an accessory dwelling unit.

2. The historic district commission shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on height.

3. The community development director shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on square footage, and any other attached space proposed along with such an accessory dwelling unit.

4. The community development director shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on square footage.

**17.52.310 Design review submittal requirements.**

The applicant shall file the following information with the ~~planning, inspections and permitting~~community development director for design review:

A. Completed and signed application form including name, address, email address, ~~and~~ telephone number of the applicant, and agent authorization from the property owner if the applicant is not the property owner;

B. Application fee as established by resolution of the city council;

C. A copy of all entitlements granted for the property by the city, including conditions of approval and the environmental documentation;

D. A copy of all required state and federal permits;

E. Site plan;

F. Building design plans/elevations;

G. Material samples and color board;

H. Project narrative describing the proposed project and how it is consistent with the requirements of Section 17.52 and any applicable design guidelines;

I. Recent photographs of the project site taken within 30 days prior to the submittal which accurately depict the project location; and

~~H~~J. Other material and information as requested by the commission or community development director.

**17.52.320 Notice and ~~P~~posting of site for design review.**

~~Upon application for design review of a project by the historic district commission, the project site shall be posted by the applicant 5 days prior to the commission hea~~firing~~, with a notice 11 inches by 17 inches in size, facing the street frontage, and indicating the project description and the place and time of the hearing. (Ord. 890 § 2 (part), 1998)~~ The provisions of Section 17.06.070 A and B shall apply within the historic district. In addition, a notice containing the project description and the time and place of the meeting for design review of a proposed project shall be posted on the City website and mailed to property owners directly adjacent to the project site at a time reasonably expected to give at least five days before the commission meeting or director level meeting. As used in this section, "directly adjacent to the project site" also includes properties located directly across an alley, street or public right-of-way from the project site.

**17.52.330 Plan evaluation for design review.**

In reviewing projects for design review, the historic district commission or community development director shall consider the following criteria:

A. Project compliance with the General Plan and any applicable zoning ordinances;

B. Conformance with any city-wide design guidelines and historic district design and development guidelines adopted by the city council;

C. Conformance with any project-specific design standards approved through the planned development permit process or similar review process; and

D. Compatibility of building materials, textures and colors with surrounding development and consistency with the general design theme of the neighborhood.

**17.52.340 Approval process for design review.**

A. The community development director or the historic district commission, in exercising design review authority under this chapter, shall make ~~its~~ the decision to approve, conditionally approve or deny the design review application with findings based on the criteria established in Section 17.52.330 ~~of this chapter~~. A copy of the decision, findings and any applicable conditions shall be provided in writing to the applicant.

B. Projects that are subject to director-level review may be elevated to the historic district commission for review at the discretion of the community development director. The applicant may request to elevate a director-level design review to the historic district commission upon payment of the commission-level design review application fee established by resolution of the city council and any other applicable fees.

C. The community development department shall provide a summary to the historic district commission of all design review projects within the historic district approved at the director level. Such review will allow the commission to provide input to the department concerning the appropriateness of the approvals and help the commission and the department develop a consistent approach to design review. The historic district commission may not overturn the decision of the community development department unless an appeal has been filed pursuant to Section 17.52.700.

**17.52.350 ~~Expiration~~ Design Review expiration and extension of approval.**

A. A~~n~~ design review approval ~~by the historic district commission~~ shall be null and void unless the applicant submits a complete application for a building permit within ~~one~~ two years from the date of approval.

B. The community development director or the historic district commission, in exercising design review authority under this chapter, may extend an approval for an additional 1 year upon receipt of a written request accompanied by a fee, as may be established by resolution of the city council, and other information deemed necessary by the community development director ~~of the department of planning, inspections and permitting~~. Requests

for approval extension must be received before the original approval expires. ~~60 days prior to the expiration of the original approval.~~

**17.52.360 Conditional use permit review.**

A. The historic district commission shall have final authority relating to the issuance of conditional use permits for any of the uses or purposes for which such permits are required or permitted by the terms of this title, as well as the expiration and extension of such permits, within the boundaries of the historic district.

B. In acting upon applications for conditional use permits, the historic district commission shall adhere to the procedural requirements set forth in Chapter 17.60, except for matters of appeal, which shall be governed by this chapter.

**17.52.370 Variance review.**

A. The historic district commission shall have final authority relating to application for variances from any of the provisions of this title, as well as the expiration and extension of such requests, within the boundaries of the historic district.

B. In acting upon applications for variances, the historic district commission shall adhere to the procedural requirements set forth in Chapter 17.62, except for matters of appeal, which shall be governed by this chapter.

**17.52.380 Sign permit review.**

A. The ~~historic district commission~~community development director shall have final approval authority relating to the issuance of sign permits for any signs for which such permits are required by this title, within the boundaries of the historic district.

B. The provisions of Chapter 17.59 are applicable in the historic district as modified ~~in~~ by this chapter and any adopted design and development guidelines. In acting upon applications for sign permits, the ~~historic district commission~~community development director shall adhere to the procedural requirements set forth in Chapter 17.59, except for matters of appeal, which shall be governed by this chapter.

C. Any sign permit application may be elevated to the historic district commission for review at the director's discretion. The applicant may also request to elevate a director-level sign permit review to the historic district commission. The request shall be granted

upon payment of the commission-level sign permit review application fee established by resolution of the city council. Notice and posting shall be required for all sign permits elevated to the historic district commission, consistent with section 17.52.320.

D. Buildings with multiple tenants shall be required to submit a uniform signage program (USP) for historic district commission approval, as described in Sections 17.52.510 through 17.52.560. Notice and posting shall be required, consistent with section 17.52.320.

**17.52.390 Environmental review.**

Review by the community development director and historic district commission of applications for conditional use permits, sign permits, variances, ~~and~~ design review, and other entitlements is subject to the requirements of the California Environmental Quality Act (CEQA). The historic district commission, in exercising its review authorities under this chapter, is authorized to hold public hearings on negative declarations, mitigated negative declarations, draft environmental impact reports and final environmental impact reports prepared on applications for the above permits or for design review. The community development director and historic district commission shall not approve applications prior to considering the applicable environmental document or exemption and complying with the requirements of CEQA and any city procedures for preparation and processing of environmental documents.

Section 17.52.480 of the Folsom Municipal Code is amended to read as follows:

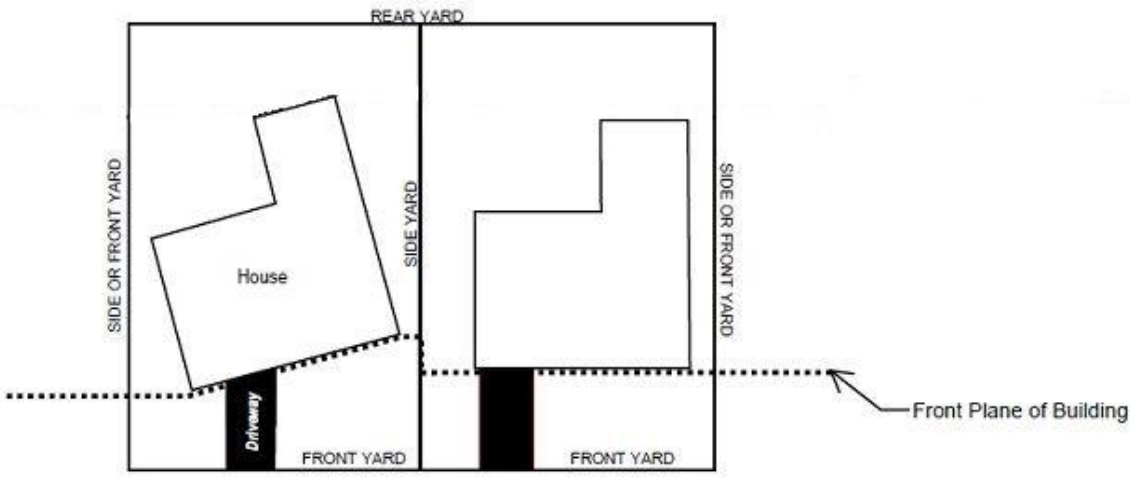
**17.52.480 Accessory ~~structures~~buildings.**

~~For the purposes of this chapter, an accessory structure is any freestanding roofed structure located on a parcel on which another larger structure (main structure) has been constructed. Accessory structures shall be setback 20 feet from the front property line of the main structure, 5 feet from any other property line, and 6 feet from all other structures on the property. An accessory structure shall not be larger than the main structure in square footage or height. Design review is not required for accessory structures smaller than 60 square feet or which are below required fence height. (Ord. 890 § 2 (part), 1998)~~

A. Accessory buildings, as defined in Section 17.02.020, are subject to the following development standards within the historic district (with the exception of accessory dwelling units):

1. Height. Accessory buildings shall not exceed fifteen feet in height, as measured using the methodology in Section 17.02.110. An accessory building shall not be taller than the primary building on the lot as measured from finished grade of each building.

2. Setbacks. Accessory buildings shall be set back a minimum of twenty feet from the front yard lot line, five feet from the rear yard lot line, five feet from the interior side-yard lot line, ten feet from the street side-yard lot line and five feet from all other buildings on the property. In no instance shall any portion of an accessory building be located in front of the front plane of the primary building. In the case of a corner lot abutting upon two streets, no detached accessory building shall be erected, altered or moved so as to occupy any part of the front half of such lot.




3. Size. Detached accessory buildings (with the exception of accessory dwelling units) may occupy a maximum of fifty percent of the area of a required rear yard. The total square footage of all accessory buildings on a single parcel, excluding residential accessory dwelling units, shall not exceed 50 percent of the total square footage of the primary building on the same parcel.

Section 17.52.660 of the Folsom Municipal Code is amended to read as follows:

**17.52.660 Demolition review.**

A. The demolition of a building originally constructed less than 50 years before submittal of a demolition permit application that is located in the historic district is exempt from review under this Chapter.

B. Review and approval of a Historic District Demolition application is required before t~~T~~he demolition of a ~~structure~~ building originally constructed 50 or more years prior to submittal of a demolition permit that is located in the historic district. ~~is subject to the review and approval by the historic district commission~~

1. The applicant shall file the following information with the community development director:

a. Completed and signed application form including name, address, email address, and telephone number of the applicant;

b. An application fee as established by resolution of the city council;

c. All available information related to the age of the structure.

d. Other material and information as requested by the director.

2. Prior to a decision by the community development director to approve a Historic District Demolition application, notice and posting shall be required, consistent with section 17.52.320.

3. The historic district commission shall have final authority relating to the review and approval of Historic District Demolition applications involving existing or potentially eligible historic resources, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan.

a. Upon determination by the community development director that the building proposed for demolition is an existing or potentially eligible historic resource, notice and posting shall be required, consistent with section 17.52.320.

b. Before ~~Prior to~~ authorizing the demolition of a ~~structure~~ building determined by the community development director ~~considered~~ to be an existing or ~~historically significant~~a potentially eligible historic resource, the historic district commission shall consider the following factors:

~~A~~ i. Whether the public health, safety and/or welfare warrant the demolition;

~~B~~ ii. What accommodations can be provided to the owner of the property to make it feasible for the owner to preserve the property;

~~C~~ iii. Whether the owner of the property is willing to sell the property to a buyer who wishes to preserve the property;

~~D~~ iv. Whether a public entity wishes to acquire the property through exercise of the power of eminent domain in order to preserve the property.

4. The community development director shall have final authority relating to the review and approval of all Historic District Demolition applications not involving an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan.

5. Prior to approval of a Historic District Demolition application~~the authorization of demolition~~, the applicant shall provide documentation of the structure for the historical record. Documentation shall include photographs of all sides of the structure, details of unique or representative construction features, and any history of the structure known to, or reasonably obtainable by, the applicant.

6. If the community development director cannot determine whether the building proposed for demolition was originally constructed more than 50 years prior to application for a demolition permit based on permitting files or other provided information, the proposed demolition will be subject to the Historic District Demolition process described in Section 17.52.660(B).

Attachment 3

H | P | L

Preserving Folsom's History

June 8, 2026

Folsom City Council
50 Natoma Street
Folsom, CA 95630
Via e-mail to cfreemantle@folsom.ca.us

Re: Folsom Municipal Code Chapter 17.52

On June 9, 2026, the City Council's closed session agenda includes conference with legal counsel regarding existing litigation in *Delp vs. City of Folsom* in relation to the amendments made to FMC 17.52 by Ordinance 1353. The Heritage Preservation League (HPL) views this as an opportunity to express our hope that this lawsuit will bring about reconsideration of provisions of Ordinance 1353. HPL concurs with the lawsuit's contention that the CEQA exemption used in the ordinance adoption is not appropriate, based on our opinion that the ordinance goes beyond a simple switch of approval responsibilities from the Historic District Commission to staff. HPL sees consequences of applying the ordinance that will result in negative impacts to the City's goal of preserving a historic small town and negative impacts to the historical significance of the Historic District.

We do believe it would be possible to amend FMC 17.52 in a way that retains protection of Folsom's Historic District while also accomplishing the City's goal of more efficiency for staff. Many of the substantial concerns expressed by our vice president, Loretta Hettinger, during the adoption process for Ordinance 1353 remain. Other concerns have arisen since adoption of the ordinance, most notably the fact that the ordinance delegates authority to the Community Development Department without requiring any expertise to perform such review. It is our opinion that Ordinance 1353 substantially reduces protection of the Historic District and needs to be reconsidered to avoid significant and substantial impacts to the Historic District aesthetic and historic quality.

None of the current Council members participated in the initial adoption of FMC 17.52 and Design and Development Guidelines (DDG's) in 1998, and so a brief review of circumstances at that time is appropriate. The 1988 General Plan directed that a Specific Plan be prepared to include the entire Theodore Judah mapped area in an expanded Historic District. Under the

auspices of the historic residents association a citizens committee, staffed by HPL's Loretta Hettinger (Folsom planner at that time) and with consultant support, a four-year, grass-roots process resulted in a draft Specific Plan. As described in Section 1.03, "CEQA Compliance," of the DDG's adopted by the City,

> The City conducted environmental review of a proposed Historic District Specific Plan. Due to the nature and complexity of the Plan and the projects which will follow under it, a Master Environmental Impact Report (MEIR) was prepared. The City Council ultimately elected to implement zoning changes to Chapter 17.52 of the Folsom Municipal Code and design standards through the adoption of these Design and Development Guidelines. Many of the provisions of the proposed Historic District Specific Plan and the amendments to Chapter 17.52 are contained within these guidelines. Accordingly, the City Council relied upon the MEIR for evaluation and consideration of environmental impacts.

It is not clear that the MEIR played a part in the preparation and adoption of Ordinance 1353. Review of its provisions might have had a beneficial effect on the process, as it underscores the overall importance of FMC 17.52's and the DDG's provisions in order to carry out the City's goal of preserving this historic small town. In addition, when considering relaxing the Historic District protections of FMC 17.52 design review provisions, the City should be aware of and consider the effects of state laws restricting or prohibiting discretionary review for certain types of projects in the Historic District. Any relaxation of design review protections made by the City would combine cumulatively with state laws restricting design review, to the detriment of the Historic District character.

It is important that the Council consider the potential impacts of amendments to FMC 17.52. HPL is providing an explanation of our concerns, and we would welcome an opportunity for additional input and collaboration with the City on considering a modified set of FMC 17.52 amendments as an alternative to the amendments of Ordinance 1353.

HPL's mission from its formation in 2003 has always been to advocate for preservation and protection of Folsom's remarkable history. Our intention has always been to be part of the solution of how best to preserve and protect, not simply object. In keeping with that goal and in recognition that a closed session is not the forum to discuss specific recommendations, we will conclude with a brief summary of some of the potential revisions we would propose.

PROBLEMS

<u>Structures are not protected.</u>
As modified by Ordinance 1353, FMC 17.52 now provides for design review of new or modified *buildings* (defined in FMC 17.02.090), eliminating design review of all other new *structures* (defined in FMC 17.02.400) and modifications to existing non-building structures. This change eliminates design review of many types of new structures and existing structures.

<u>There is no requirement for staff expertise in historic architecture and historic preservation.</u>

The Community Development Director is tasked with deciding whether an application is heard by staff or the Historic District Commission. Per the ordinance, the decision relies on whether a building is already listed or is potentially listed as a historic resource. The CEQA Guidelines section referenced in the ordinance and the City's Historic Preservation Master Plan (HPMP) both describe proper methodology for placing a site on a list, a process that HPL has experience with, a process that requires more time than staff can devote without negating the time-saving goal of the ordinance. Thus, in effect, unless a building has already been evaluated for a list or potential listing, it is not appropriate for a staff decision unless City staff has the expertise and time to follow the methodologies of CEQA and/or the HPMP. The great majority of buildings and structures in the Historic District have not been evaluated beyond the fact of their location within the 98 blocks of the Judah map.

Qualified staff could decide whether an application must be reviewed by the HDC or is appropriate for staff decision if a different standard is adopted. Historic preservation and architecture is not a typical part of a planning degree, nor is it a requirement for being a Community Development Director. The ordinance puts a responsibility on the Director without assuring decisions are based on expertise.

<u>A standard that protects only buildings at least 50 years old is inadequate.</u>
Regarding demolition, the ordinance inserts a provision that buildings at least 50 years old have protection. This is a flawed standard. Of course buildings that are at least 50 years old deserve special review. However age should not be the only determinant if Folsom's goals are to be met.

It's important to take a moment here to compare Folsom's goals with the usual means of protecting a city's heritage. Most historic protections are geared toward preserving a specific structure that is valuable due either to its architecture or to its association with persons or events that are historically significant. Likewise, groupings of structures that are valuable for the same reasons are protected.

In contrast, Folsom's goal is to protect an entire historic small town, not parts of it, for a similar but different reason. It's not because of amazing architecture (we don't have much), or because of a "George Washington slept here" thought process or simply because it's old (we do have a very significant overall history). Instead Folsom's goal is to preserve something that is fast disappearing across the nation: a small town as it existed between 1850 and 1950, before the postwar construction boom changed the basic structure of town design. Today it seems that every small town has its Walmart, McDonalds, Starbucks, Target, etc. Many times they're located on Main Street, making the old buildings ready candidates for demolition because they look so "old" in comparison and there's nothing special about them. Preserving those ordinary buildings has created a Folsom Historic District that is greater than the sum of its parts.

The Historic District exemplifies a unique California small town, and protection of its historic character will become increasingly valuable to the history of our region, even the history of the nation.

Exemptions allowed in the ordinance open the door for non-contributing work done by unaware property owners relying on the ordinance.
We appreciate that the ordinance was revised to exclude chain link fences when HPL cited their inappropriateness to the era. Chain link isn't the only material inappropriate in the Historic District, but the average property owner doesn't know what is and isn't appropriate.

Appeal provisions exclude most appeals.
As written in FMC 17.52 and not amended by Ordinance 1353, most potential appeals are foreclosed. History organizations like HPL have keen interest in decisions regarding the Historic District and should be afforded the right to appeal.

RECOMMENDATIONS

We have considered and will continue to consider possible effects of Ordinance 1353, and we have proposals to address the problems cited above, including 1) replacing the word *building(s)* with the word *structure(s),* 2) specifying procedure in the ordinance to address absence of staff trained in historic preservation/architecture, 3) two alternates to assure historic design, 4) replacing the list of exempt projects with a performance standard, and 5) including revision of appeal procedure in any amendment of FMC 17.52 ensuing.

HPL is committed to preservation and protection of the City's historic resources, and we would welcome an opportunity to work with City staff and provide input to the City Council to ensure that amendments to FMC 17.52 balance the Council's current interests while retaining provisions for protection of the Historic District.

THE HERITAGE PRESERVATION LEAGUE OF FOLSOM
P.O. Box 353, Folsom, CA 95763-0353
www.FolsomPreservation.org

Bob Delp - June 16, 2026

City of Folsom Planning Commission
50 Natoma Street
Folsom, CA 95630
via email to: ksanabria@folsom.ca.us; badams@folsom.ca.us; jkinkade@folsom.ca.us for distribution to the Planning Commission

**SUBJECT: June 17, 2026, Agenda Item No. 4 – Zoning Code Update – Revisions to Chapter 17.52: Historic District (Re-Adoption) – File #ZCAM26-00069**

Dear Planning Commissioners:

I am the Petitioner in Superior Court of the State of California, County of Sacramento Case No. 26WM000118 that, as discussed further in section 3 of this letter, pertains to the City Council's October 28, 2025, approval of the amendments that are the subject of this Planning Commission agenda item. However, I am providing these comments as a citizen of Folsom and a resident and property owner in the Historic District interested in the protection, preservation, and enhancement of the Historic District's character and quality. I live, work, play, and very much enjoy the Historic District, and I want it to thrive while its historical qualities are protected.

In the 1990s the City undertook a substantial effort in considering ways to protect and preserve the Historic District that culminated in the adoption of a re-written Folsom Municipal Code Chapter 17.52 ("FMC 17.52") and accompanying Historic District Design and Development Guidelines ("DDGs"). Many thoughtful people worked very hard to create a process defining objective standards and a design review process applicable to all structures in the Historic District. The process may not be perfect and in recent years is confronted by state laws that, while attempting to achieve commendable aims, have limited the City's ability to exercise design review to the extent envisioned in 1998. Nevertheless, the design review provisions of FMC 17.52 and the DDGs still serve a vital function in preservation and protection of the Historic District. Amending the processes they describe should not be taken lightly and the effects of any amendments should be fully understood before their approval.

The Planning Commission has an opportunity to provide a fresh perspective to City staff and the City Council pertaining to the amendments to FMC 17.52 adopted by the City Council last year ("Project"). Although staff is asking the Planning Commission to recommend that the City Council simply re-adopt the amendments, I am hopeful that the Planning Commission will give serious consideration to the amendments and provide an independent recommendation to the Council. This is a lengthy comment letter, but the first two pages should be sufficient to convince the Planning Commission to recommend that Ord. No. 1353 be rescinded and FMC 17.52 restored to its pre-ordinance content.

I understand that amending the City's zoning ordinance is not an easy task. Undoubtedly, the Community Development Department ("CDD") and the City Attorney's office worked diligently in attempting to craft the Project amendments, but the Project amendments go too far in relaxing and eliminating important provisions of FMC 17.52 that were carefully developed through a rigorous process in the 1990s leading the 1998 rewrite and adoption of FMC 17.52 and its companion DDGs.

The Project amendments effectively eliminate design review for all structures that do not meet the definition of *building* by establishing in FMC 17.52.300 that the HDC and CDD design reviews only apply to *buildings*. The staff reports argue that only certain "very small" structures will be exempt from design review, however, the amendments establish no person and no commission to perform design review of any structures that are not buildings and therefore

effectively eliminate all design review authority for all non-building structures. If this is an *unintended* aspect of the amendments, then now is the time for correction by ensuring that 17.52.300 establishes a design reviewer for non-building structures. If the elimination of design review authority for all non-building structures is an *intended* aspect of the amendments, then the City's claim that the Project qualifies for a CEQA exemption because design review is only limited to certain "very small" structures fails.

Additionally, the FMC 17.52 amendments modify the HDC's role but continue to provide HDC final authority in a manner that conflicts with the City Charter. A court ruling regarding the 603 Sutter Street project last October (issued three days after the Council approved the FMC 17.52 amendments) provided a perspective on Charter Section 4.07 and its relationship to FMC 17.52 sections that, as the ruling described, "purport to vest the Historic District Commission with the power to act on behalf of the City, without oversight or ratification by the City Council … [that] cannot be squared with the Charter's limitation that the Commission's power is 'only advisory.'" The City Council's October 28, 2025, approval of the FMC 17.52 amendments was made prior to the court's October 31, 2025, final ruling on the 603 Sutter Street project. Although the court's ruling pertained only as applied to the 603 Sutter Street project, I suggest that any re-adoption of FMC 17.52 amendments that in any manner modify or expand the HDC's final authority role be carefully considered in light of the ruling.

While City Charter section 4.07 is properly read as restricting the HDC to an advisory role, I do not think that discounts the value of the HDC or other commission's role in design review. The Project amendments wrest far too much design review role from the HDC and reassign that role to the CDD Director. Although I have disagreed with certain decisions made by the HDC in recent years, design review performed by a *commission* through a public hearing provides for a more comprehensive perspective on design considerations, allows for a more formal and visible public noticing and public comment process, eliminates one-on-one influence, and improves design review decision-making. Often, the HDC considers staff recommendations, discusses design adjustments with staff and applicants, and modifies staff's recommendations to ensure design is more appropriate for the Historic District.

This is the very mechanism that, in 1998, City decision-makers decided was appropriate for the Historic District – with a *commission* performing design review not only for properties specifically identified on the City's list of historic properties, but for all properties, buildings, and other structures throughout the Historic District – where all properties contribute to the historic character of the entire Historic District that FMC 17.52 and the DDGs are intended to protect.

With all due respect to the CDD director and staff, shifting much of the design review away from the HDC and to the CDD director, especially in the absence of establishing some minimum qualifications for the director or staff to perform such review, is a substantial shift from the process implemented in 1998 and stands to diminish protection of the Historic District. The Planning Commission has this opportunity to indicate your perspective on the value and benefits of commission reviews, and I hope you will express support for retaining the design review role by a commission and not by staff for all but truly minor Historic District projects.

The remainder of this letter addresses issues in more detail, but I encourage the Planning Commission to recommend that the City Council rescind Ord. 1353 and restore FMC 17.52 to its prior content, allowing for a more thorough review process of any subsequent amendments.

## 1. FMC 17.52 and DDG Background

Several of the Project amendments to FMC 17.52 either omit or alter design review and demolition review responsibilities. The amendments create internal inconsistencies within FMC 17.52 with regard to the scope and responsibilities for design review and create inconsistencies between FMC 17.52 and the DDGs. The purpose and intent of FMC 17.52 and the DDGs are important for understanding the baseline conditions to which any amendments to FMC 17.52 must be compared to understand the effects of any amendments. Some background is provided here for the Planning Commission's consideration.

On July 14, 1998, the City Council adopted Ordinance No. 890 which, among other things, rewrote FMC Chapter 17.52, established the HDC, and established Historic District primary and subarea boundaries in which specialized use and development standards apply. As stated in FMC 17.52.010,[1] "Purpose and intent," among the express purposes of FMC Chapter 17.52 are,

> 1. To preserve and enhance the historic, small-town atmosphere of the Historic District as it developed between the years 1850 and 1950;
>
> 2. To maintain, restore, and reconstruct historic structures and sites within the Historic District;
>
> 5. To ensure that new residential and commercial development is consistent with the historical character of the Historic District as it developed between the years 1850 and 1950; and
>
> 6. To increase the awareness, understanding, and appreciation of the history of the City.

As adopted in 1998 and unmodified by the Project amendments, FMC 17.52.120(G) establishes that the HDC is to "[r]eview the design and architecture of any new structure, or alteration to any existing structures within the historic district," and FMC 17.52.330(B) anticipated that as part of the HDC's design review the HDC would consider criteria including "conformance with any…historic District design and development guidelines adopted by the city council."

Three months later, on October 13, 1998, the City Council adopted the *City of Folsom Historic District Design and Development Guidelines* (Resolution No. 5757) ("DDGs")[2] to provide a comprehensive document to assist with the implementation of the regulations and standards contained in FMC 17.52. The DDGs are not perfect, but they offer extensive and beneficial guidance for development in the Historic District.

Section 1.01, "Intent," of the DDGs explains,

> the City Council elected to adopt Historic District Design and Development Guidelines (hereafter the "Design and Development Guidelines") in conjunction with amendments to Chapter 17.52 of the Folsom Municipal Code (hereafter

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[1] The attachment to your staff report includes only excerpts of the amended sections of FMC 17.52, but I urge the Planning Commission to obtain and consider the full chapter since several unamended sections are also important for understanding the amendments. An online version, as amended, is here: https://www.codepublishing.com/CA/Folsom/#!/Folsom17/Folsom1752.html#17.52

[2] The 1998 "Historic District Design and Development Guidelines" ("DDGs") are incorporated by this reference in their entirety. At the time of preparation of this letter, the DDGs are available to the public on the City of Folsom website at:
Main Document: https://www.folsom.ca.us/home/showpublisheddocument/23554/639038904142800000
Appendix A, Historic Resources: https://www.folsom.ca.us/home/showpublisheddocument/23556/639038904870370000
Appendix B, Visual Resources: https://www.folsom.ca.us/home/showpublisheddocument/23558/639038904877770000
Appendix C, Environmental Resources: https://www.folsom.ca.us/home/showpublisheddocument/23560/639038904884700000
Appendix D, Design Criteria: https://www.folsom.ca.us/home/showpublisheddocument/23562/639038904905270000
Appendix E, Historic District Circulation Plan: https://www.folsom.ca.us/home/showpublisheddocument/23564/639038904914600000

> "Chapter 17.52"). By adopting the Design and Development Guidelines, the City Council intends to provide a comprehensive policy manual to assist with the implementation of the regulations contained in Chapter 17.52 of the Folsom Municipal Code. The goals, policies, and programs which have guided the preparation of this document and which are to be used in implementing Chapter 17.52 are enumerated in detail in Section 2.01 of this document. In addition to providing design review standards, the City Council intends to set forth in this document criteria that will guide further development within the Historic District. These Design and Development Guidelines provide policy direction concerning private and public development within the Historic District, as well as policy direction concerning public infrastructure and circulation improvements.

(DDGs, p. 1-1.)

The DDGs further explain the City Council's purpose and intent for FMC 17.52 and the DDGs to work in combination for protection of the historical character of the entirety of the Historic District and not solely focused on protection of certain individual properties deemed historically significant,

> Historic Folsom is also a representative example of the development of many small towns across the American West, and this legacy is likewise worthy of preservation, interpretation, and re-creation. While modem developments consist of carefully integrated architecture, materials, and site plans, protected by Design and Development Guidelines and CC&R's against discordant future construction, traditional development was more varied and occurred on a lot-by-lot basis. In conjunction with the regulations imposed by Chapter 17.52 of the Folsom Municipal Code, the Design and Development Guidelines limit future construction in Historic Folsom to the architectural styles extant in California from 1850 to 1950, a limitation intended to encourage the diversity which is the charm of old Folsom while preventing construction of modem buildings which would be discordant. While there are only a few structures within Historic Folsom which are individual architectural stand-outs, the homes and buildings, when taken together, evoke the feeling of life in small-town America, an aspect often ignored by history books and preservation efforts. By the adoption of Chapter 17.52 and these Design and Development Guidelines, the City Council seeks to preserve that image.

(DDGs, Section 1.01, pg. 1-2.)

The DDGs include goals and policies pertaining to Historic District design review including,

> GOAL l: Community Identity: To preserve and enhance the historic, small-town atmosphere of the 98-block Historic District area.
>
> Policy 1.4: Since the Historic District plays a central role in determining the character of the City of Folsom, **every project within the Historic District, at every stage of approval and construction**, should be marked by an attention to quality which will serve as a benchmark to the rest of the community.
>
> GOAL 6: New Development: To ensure that new residential and commercial development is consistent with and enhances the historical character of the historic district.

> Policy 6.1: New development shall conform to architectural and infrastructure standards of Chapter 17.52 of the Folsom Municipal Code and these Design and Development Guidelines.

Additionally, the DDGs assign demolition review for all existing structures in the Historic District to the HDC, stating,

> Policy 6.3: Demolition of existing structures located in the Historic District shall require approval of the Historic District Commission, which shall consider 1) whether the public health, safety and/or welfare warrant the demolition; 2) what accommodation can be provided to the owner of the property to make it feasible to preserve the property or structure; 3) whether the owner of the property is willing to sell the property or structure to a buyer who wishes to preserve it; and 4) whether a public entity wishes to acquire the property or structure in order to preserve it.

The DDGs are not simply an afterthought of niceties, they were developed as an integral part of the vision established by the City Council in 1998 for the preservation and protection of the Historic District.

As described section 1.03, "CEQA Compliance," of the DDG's,

> The City conducted environmental review of a proposed Historic District Specific Plan. Due to the nature and complexity of the Plan and the projects which will follow under it, a Master Environmental Impact Report (MEIR) was prepared. The City Council ultimately elected to implement zoning changes to Chapter 17.52 of the Folsom Municipal Code and design standards through the adoption of these Design and Development Guidelines. Many of the provisions of the proposed Historic District Specific Plan and the amendments to Chapter 17.52 are contained within these guidelines. Accordingly, the City Council relied upon the MEIR for evaluation and consideration of environmental impacts.

Thus, the 1998 FMC 17.52 and DDGs were intended not simply as preferred land use regulations for the Historic District, but also incorporated provisions and mitigation identified through the California Environmental Quality Act ("CEQA") process as necessary to protect the character and quality of the Historic District. The City has all but ignored the fact that a comprehensive CEQA process was conducted prior to the adoption of FMC 17.52 and the DDGs.

Through that process, the City not only included provisions in FMC 17.52 and the DDGs to avoid or minimize adverse effects of development in the Historic District, but also identified several mitigation measures, including the following pertaining to inadvertent discovery of cultural resources:

> Should any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any development activities, work shall be suspended and the City of Folsom shall be notified. The City shall consult with a qualified archaeologist to determine if the encountered resources are "important" cultural resources within the definition of CEQA Appendix K. The consulting archaeologist shall develop, if necessary, further mitigation measures consistent with CEQA Appendix K to reduce any cultural resource impact less than a significant level.

(Folsom Historic District Specific Plan, Mitigation Monitoring Program, January 21, 1998. State Clearinghouse Number: 95032066, pg. 9.)

I am uncertain of the ultimate disposition of the Mitigation Monitoring Program and the City provides no discussion of the previous CEQA effort in its current evaluation. However, the City has consistently included similar inadvertent cultural resources discovery provisions as conditions of approval for design review projects that involve ground disturbance in the Historic District. Yet, staff reports for the Project provide no explanation of how projects involving ground disturbance in the Historic District that will now be exempt from design review will still somehow be required to implement inadvertent cultural resources discovery protocols or, if such projects will not be required to implement these protocols, how impacts to cultural resources that may be present within a development footprint will be avoided or otherwise mitigated.

**2. The Project Eliminates Design Review for All Non-Building Structures**

Prior to the FMC 17.52 amendments approved by the City Council in October 2025, FMC 17.52.300 specified that the HDC was to perform design review of all proposed new or modified *structures* in the Historic District. Since there was no other design reviewer identified, it was very clear that any design review requirement discussed in any section of FMC 17.52 fell squarely on the HDC.

However, under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed for only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director. (See PC 6/17/26 Packet pages 1347-1348 where FMC 17.52.300(A) provides for HDC design review of certain projects in which all previous references to "structures" are stricken and replaced with the more limited term "buildings" and FMC 17.52.300(B) provides for CDD Director design review of all other renovations, additions, and accessory *buildings* without assigning design review authority for review of non-building *structures*.)

FMC Chapter 17.02 "Definitions," defines these terms:

> 17.02.090 Building. "**Building**" means any structure having a roof supported by columns and/or by walls and intended for the housing or shelter of any person, animal or chattel.
>
> 17.02.400 Structure. "**Structure**" means anything constructed or erected upon the ground or attached to a structure having location on the ground.

The definition of "structure" is very broad while the definition of "building" is much narrower (if not also subjective and awkward). All buildings are structures, but many structures are not buildings.

Eliminating design review of non-building structures is a substantial new limitation to the design review provisions of FMC 17.52. Staff describe that the amendments exempt only "certain very small projects from design review," yet staff seemingly fail to recognize that *all* non-building structures, regardless of size, would no longer subject to design review under the amended language. The amended FMC 17.52.300 establishes that certain new or modified *buildings* are subject to HDC review and that other new or modified *buildings* are subject to CDD review, but contains no provisions for any design review of non-building structures neither by the HDC nor the CDD Director.[3]

[3] The CDD website identifies that design review is required for certain types of non-building structures (e.g., landscape features depending on size/location, pools and spas depending on location), however, the amended FMC

Moreover, the FMC 17.52.300 amendments conflict with other sections of FMC 17.52 not amended by the Project. For instance, FMC 17.52.120 specifies duties of the HDC which include, "G. Review the design and architecture of any new *structure*, or alteration to any existing *structures* within the historic district, as further defined in this chapter," yet, with the FMC 17.52.300 amendment, neither the HDC nor the CDD Director has authority to review any new or altered non-building structure. Additionally, FMC 17.52.400 specifies that "design review is required for all new *structures* and alterations to existing *structures*," yet, as amended, FMC 17.52.300 no longer provides any role for either the HDC or CDD to perform design review for non-building structures.

In making any recommendation to the City Council, I think it is critical that the Planning Commission fully understand the implications of the elimination of design review for non-building structures. Staff's incorrect premise that only "certain very small projects" would be exempt from design review cannot be reconciled with the actual language and effects of the amendments that eliminate design review authority for all non-building structures.

The City needs to either restore design review of non-building structures or the City's analysis of the Project and its potential effects on the character of the Historic District must include consideration of the effects of eliminating design review for all non-building structures.

**3. CEQA Compliance**

On October 28, 2025, when the City Council adopted Ord. 1353 amending FMC 17.52 ("Project"), Council determined the Project was exempt from CEQA review because the Project was "process related and administrative in nature" and therefore qualified for the CEQA Guidelines § 15061(B)(3) "commonsense" exemption.

Prior to the Council's approval of the Project, I submitted comments opposing the Project and providing explanation and evidence that the Project would have the potential to result in significant impacts to the historic character of the Historic District and that the Project did not qualify for a CEQA exemption.[4] Others, including those involved in developing FMC 17.52 and the DDGs in the 1990s, also expressed concerns and provided comments to staff, the HDC, and the City Council prior to approval of the Project.

After requesting in November 2025 that the Council rescind Ord. 1353 and after allowing nearly six months for the Council to do so, on April 23, 2026, I filed a petition for writ of mandate with the Superior Court of the State of California, County of Sacramento (Case No. 26WM000118), challenging the City's approval of the Project with a CEQA exemption. That lawsuit is the obvious catalyst for the City's current effort to re-approve the Project and assert additional grounds for exempting the Project from CEQA review. Yet, the CEQA arguments that the staff report now presents to the Planning Commission (PC 6/17/26 Packet, pp. 1316-1320) misconstrues the Project and does not provide substantial evidence that the Project qualifies for one or some combination of CEQA exemptions.

The staff report argues that the Project is eligible for the CEQA Guidelines 15061(b)(3) "commonsense" exemption and also attempts to overlay or incorporate other CEQA exemptions in arguing that environmental review of the Project is not required. As discussed below, the Project does not qualify for the 15061(b)(3) exemption and the City's attempt to bolster its

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17.52 provides no authority for any such design review since these features are not *buildings* and the CDD exceeds its authority if it exercises design review over non-building structures.

[4] See PC 6/17/26 Staff Report, pp. 1423-1453, for comment letters to the Council dated October 14, 2025, and October 28, 2025.

rationale fails. With or without application of additional CEQA exemptions, the Project does not qualify for the 15061(b)(3) exemption. Additionally, the staff report's attempt to assign a CEQA exemption to certain aspects of the Project as ministerial is misguided. The Project clearly involves discretionary decision-making and CEQA Guidelines expressly state, "[w]here a project involves an approval that contains elements of both a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA." Also, the staff report's attempt to assign categorical exemptions to the Project or portions of the Project is also misguided. The Class 1 and Class 3 categorical exemptions asserted in the staff report might be applicable to certain discretionary approvals in the Historic District, but they are inapplicable to the City's consideration and approval of the Project because the Project is a zoning ordinance amendment and is not a decision to approve modifications to existing facilities, small structures, or any other facilities or structures. Moreover, after introducing these two irrelevant categorical exemptions, the staff report attempts to discuss whether any *exceptions* to these exemptions apply. Yet, because the Project does not involve any specific development and the Class 1 and 3 exemptions cannot be applied to the Project, there is neither current relevance nor a basis to conclude that the exceptions to the exemptions would not apply to specific development subject to FMC 17.52.

### *3.1 The Project does Not Qualify for the Commonsense Exemption*

The CEQA Guidelines 15061(b)(3) exemption can be applied only, "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." In claiming this exemption, the City must provide substantial evidence for how the proposed FMC 17.52 amendments would have **no possibility** of a significant impact. The City Council's October 2025 approval of the Project rested on the assertion that "the proposed code amendment is *process related and administrative in nature* and therefore will not have a significant effect on the environment," and does not consider the implications of eliminating certain projects from design review and other changes in design and demolition review processes that would result from the Project amendments.

In attempting now to substantiate the Project's qualification for the 15061(b)(3) exemption, the staff report asserts that, "[t]he ordinance amendments proposed for re-adoption do not have the potential to cause a significant effect on the environment," and that the Project's exemption of "certain very small projects from design review" would not have potential to cause any significant impacts on the environment. The staff report also discusses that "several of the project types exempted from design review are required to be located in side or rear yards for the exemption to apply." (PC 6-17-26 Packet p. 1317.)

The staff report's arguments do not address substantial evidence indicating the potential for significant impacts and does not provide substantial evidence that the Project would have no possibility of a significant impact precluding the Project from the 15061(b)(3) exemption.

#### *3.1.1 Elimination of Design Review for All Non-Building Structures*

As discussed above in Section 2 of this letter, prior to the Project amendments, FMC 17.52.300 specified that the HDC was to have final authority over all new office, industrial, commercial, and residential *structures*, and all exterior renovations, remodeling, modification or addition to existing *structures*. Under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director.

Without a designated body and process, design review of non-building structures is effectively eliminated from FMC 17.52. With the Project amendments, the list of exempt non-building structures in FMC 17.52.300(C) represents only a small subset of the types of non-building structures for which design review will not be performed as a result of the Project.

The staff report and staff's assessment of potential impacts of the Project does not mention or assess the impacts of eliminating design review of all non-building structures and, thus, fails to provide evidence that the Project's elimination of design review for all non-building structures would have no possibility of a significant impact.

The elimination of design review for all non-building structures eliminates design review of many types of new and modified structures (e.g., privacy walls, retaining walls, fences, decks, pools/spas, play equipment, courtyards, exterior street-to-sidewalk stairways and railings, amphitheaters, bridges, public restrooms, mechanical equipment, roads, bike paths, sidewalks… all of which meet the definition of "structures" under the FMC 17.02.400) and any of which would have the potential to be inconsistent with the Historic District character if developed without going through the FMC 17.52 and DDGs design review process.

The elimination of design review of non-building structures would also eliminate any discretionary review of many such structures, and would provide no mechanism for the City to impose standard conditions of approval that are used mitigate impacts, including the standard condition pertaining to inadvertent cultural resources discovery discussed above in Section 1 of this letter.

### *3.1.2 Exempting Privacy Walls and Fences*

Even if design review were restored for most structures, the exemption of privacy walls and fences would still have the potential for adverse effects on the Historic District character and quality and its individual historical and contributing resources.

The staff report asserts that, "[s]everal of the very small projects, including like-for-like structural replacements, residential re-painting, privacy walls/fences, and solar panels were already not going through design review based on the City's consistent past practice and thus, would not result in any change from baseline conditions for those projects."

Regardless of how baseline conditions might be defined for future review of a particular proposed structure, such as a privacy wall or fence, the relevant CEQA baseline for consideration of the potential environmental effects of the Project is the specifications of FMC 17.52 as it existed prior to the Project amendments. Under that appropriate baseline condition, FMC 17.52 provided for HDC design review of fences and all other new and alterations to existing structures, stating in FMC 17.52.400, "Design standards,"

> A. The design standards specified in Sections 17.52.410 through 17.52.590 shall be applicable to all new structures and alterations to existing structures within the historic district. ***Design review*** **is required for all new structures and alterations to existing structures, unless otherwise specified in this chapter.**

Unmodified by the Project amendments, FMC 17.52.430 – 17.52.480 provide objective standards for certain types of non-building structures[5] and specify when certain sizes and/or locations of structures are not subject to design review. For instance, FMC 17.52.460 specifies objective standards for play equipment and exempts play equipment smaller than 120 square feet

[5] e.g., 17.52.430 Decks, 17.52.440 Fences, 17.52.450 Landscape features, 17.52.460 Play Equipment, 17.52.470 Swimming Pools and Spas, 17.52.480 Accessory Structures.

or below fence height from design review; whereas FMC 17.52.440, "Fences," specifies objective design standards for fence height without providing an exemption from design review. By a plain read of the text it is undeniable that, prior to the Project amendments, FMC 17.52 required design review for all structures, including fences. The Project amendments to FMC 17.52 that include "privacy walls and fences" on a list of features exempt from design review must be compared to the existing condition baseline under which design review was required by FMC 17.52.

The staff report's assertion that fences and other types of structures "were already not going through design review based on the City's consistent past practice" might reveal some deficiency of the City to actively implement FMC 17.52's design review provisions for fences, but does not establish the relevant baseline for consideration the Project's potential effects.

The City Police Department, from time to time and for various reasons, may not always actively enforce speed limits on City streets, but that does not negate the beneficial effect and value of maintaining posted speed limits on City streets, nor does it mean that speed limits could be abolished with no effect on driver behavior. Similarly, that any given time the CDD may not be actively performing/enforcing the required design review for certain types of projects does not negate the benefits of maintaining design review requirements in FMC 17.52.

Were individual property owners in the Historic District to build privacy walls or fences without first obtaining design review approval, those property owners would nevertheless be influenced by the risk of non-compliance and incentivized to design the structure consistent with Historic District character (akin to a driver heeding speed limits even in the absence of police enforcement). Moreover, the design review requirement for fences provides a mechanism through which the City could take enforcement action for a property owner's failure to obtain a design review approval and remedy an inappropriate fence design. Without a design review requirement, the City has no mechanism or ability to enforce restrictions on inappropriate fence design.

Section C of Appendix D of the DDGs provides Historic Residential Design Criteria, and specifies the following design provisions for walls and fences:

> *Walls and fences.* Materials of walls and fences shall reflect the style and character of the building and its site. Where large expanses of blank building wall, retaining wall or fencing are unavoidably exposed, they should be screened with upright shrubs or trellised vines. Trellises are to be constructed of substantial, durable materials, but may incorporate redwood lath lattice. **Inappropriate materials such as chainlink, split rail, and other non-historic fencing materials are not permitted**.

(DDGs, Appendix D, p. 55.)

Without establishing specific design requirements for fence design, the DDGs section above provides guidance for the City's design review of walls and fences. Thus, the Project's elimination of design review of walls and fences effectively eliminates all regulation and related incentives for individual property owners to achieve wall and fence design compatible with the Historic District character.

Exempting, "privacy walls and fencing" from any design review requirements would have the potential to be detrimental to the historical character of the Historic District. Even attractively designed privacy walls or fencing could be substantially inconsistent with, and diminish the historical character of, the Historic District. The development of unregulated out-of-character

walls and fences would have the potential to result in – in individual instances and cumulatively over time - a significant adverse impact on the historical character of the Historic District.

The City-adopted DDGs explain as pertains to "Fences, Landscape Features, and Play Equipment,"

> Besides safety, the City's purpose in regulating fences and landscape features is primarily to inform property owners of the impact such construction has on the historical and aesthetic character of a home or neighborhood and to seek voluntary support of the community goal of preserving and enhancing the character of the Historic District. Preference in any required review will be toward granting the property owner's request unless it is unsafe or the effect on the character of the Historic District would be notably deleterious. (DDGs section 4.04.)

Pertaining specifically to "Fences" the DDGs explain the City's 1998 affirmation that, "[f]ences are a significant contributing factor to a home's or neighborhood's character." (DDGs section 4.04.01.) Notwithstanding the documented importance of design review for walls and fences as expressed in the DDGs adopted by the City Council in 1998, during the Project review process, the City has yet to directly acknowledge the adverse effects that incompatible fence design could have on the historical quality and character of the Historic District.

When adopting the Project's list of "minor modifications" to be exempt from design review, the City included, "e. privacy walls and fencing, *excluding chain link, which is not allowed*."

If the City's position is that fence design does not have the potential to adversely affect the character of the Historic District, it is unclear why the City would attempt to *mitigate* the wall and fence exemption by including a prohibition of chain link fence.

In fact, the CDD has identified "appropriate" and "inappropriate" fence types for the Historic District. As reproduced in the table below, the City's Historic District Resources website identifies 12 types of fences as "Inappropriate" for the Historic District and lists 10 types of fence types as "Appropriate" with 3 of the "Appropriate" types noted as "Except for Historic Properties."

| **City of Folsom, Historic District Resources Website<br>List of *Appropriate* and *Inappropriate* Fence Types** | |
|---|---|
| **Appropriate Fence Types** | **Inappropriate Fence Types** |
| Wood Picket Fences | Chain Link |
| Vertical or Horizontal Board Fences<br>(Min. 30% opening, or Staggered Boards) | Chicken Wire |
| Classic Wire Mesh (3" x 6") | Barbed Wire |
| Solid Wood (Rear Yard Only) | Plywood |
| Brick and Mortar | Masonite |
| Stone and Mortar | Cedar Post and Rail |
| Treated Wood | Grape Stake |
| Cinderblock Wall<br>(Except for Historic Properties) | Split Rail |
| Railroad Tie Fencing<br>(Except for Historic Properties) | Cyclone |
| Poured or Finished Concrete Wall<br>(Except for Historic Properties) | Snow Fence |
| | Bamboo or Matting |
| | Plastic or Vinyl |
| **Source:** City of Folsom, Historic District Resources website, "Residential Fencing" dropdown at: https://www.folsom.ca.us/government/community-development/planning-services/historic-district-resources/ . June 9, 2026. | |

The staff reports prepared for the Project do not mention this list nor explain why, with a list of 12 fence types that CDD considers "inappropriate" for the Historic District and an additional 3 types that CDD has somehow determined are only inappropriate for historic properties, only *chain link* fence warrants a prohibition nor do the staff reports explain how such a prohibition will be enforced. Yet, with a dozen identified by CDD as "Inappropriate Fence Types," in adopting the Project amendments to FMC 17.52, staff and the City Council somehow determined that only chain link need to be prohibited.

Even were a prohibition on chain link fence sufficient to *mitigate* the impact of exempting privacy walls and fences from design review, such a mitigation would run afoul of CEQA case law establishing that,

> [r]eliance upon mitigation measures (whether included in the application or later adopted) involves an evaluative process of assessing those mitigation measures and weighing them against potential environmental impacts, and that process must be conducted under established CEQA standards and procedures for EIRs or negative declarations.

(*Salmon Protection and Watershed Network v. County of Marin* (2004) 125 Cal.App.4th 1098)

Thus, if the prohibition on chain link fence was necessary to *mitigate* the impacts of exempting fences from design review or if the City thinks the impact can mitigated by providing an advisory list of inappropriate fence types on its website, the Project is disqualified from any CEQA categorical exemption.

Given the Project's elimination of design review for all non-building structures, including but not limited to the express exemption from design review of fences and other structures having the potential for deleterious effects on the quality and character of the Historic District, the Project does not qualify for the CEQA Guidelines 15061(b)(3) exemption and no combination of additional CEQA exemptions or mitigation measures can intervein to exempt the Project from CEQA review.

### *3.2 The Project does Not Qualify for a Ministerial Exemption*

The staff report quotes CEQA Guidelines § 15268(a) stating, "Ministerial projects are exempt from the requirements of CEQA" and the staff report then argues that "the solar panel exemption from design review is ministerial and exempt from the requirements of CEQA," that "the design review exemption for certain ADUs [accessory dwelling units] is ministerial and exempt from the requirements of CEQA," and that, "to the extent that a building permit is required for installation of a fence or any of the other minor modifications exempt from design review under FMC Section 17.52.300(C)(1), such approvals are ministerial in nature and as such are exempt from the requirements of CEQA." (PC 6/17/26 Packet p. 1318.)

In making these arguments the staff report confuses potential future activities and actions with the current Project. The Project involves a *discretionary* action by the City which is the amendment of FMC Chapter 17.52. The Project is not approval of a solar facility, nor approval of an ADU, nor the issuance of a building permit for installation of a fence or other structure. That future activities or projects may or may not be limited to ministerial decision-making at such time as each is proposed is irrelevant to assessing whether the Project qualifies for a ministerial project exemption.

Moreover, even if there were some element of ministerial decision-making involved in the Project, CEQA Guidelines § 15268, "Ministerial Projects," at subd. (d) definitely establishes,

(d) Where a project involves an approval that contains elements of *both* a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA.

Although state law may limit or preclude the City from performing discretionary design review of certain future development projects or other activities, the Ministerial Projects exemption is unavailable to the Project.

### *3.3 The Project does Not Qualify for a Class 1 Categorical Exemption*

The staff report discusses the Class 1 Categorical Exemption of CEQA Guidelines 15301, describing that, "[u]nder Section 15301 of the CEQA Guidelines, the Class 1 exemption "consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use," and argues that, " [t]his proposed ordinance's exemption for very small projects falls under this Class 1 CEQA exemption." (PC 6-17-26 Packet p. 1318.)

In making this argument the staff report confuses potential future approvals for some unidentified existing facility with the current Project. The Project is the amendment of FMC 17.52. The Project does not involve an approval associated with an existing facility and the Class 1, "Existing Facilities," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of existing facilities in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 1 exemption. However, whether such projects may or may not qualify for the Class 1 exemption is a matter to be determined when such a project is proposed and, at that time, will require assessment of the particular factors of the project. Moreover, as part of that assessment, the City needs to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 1 exemption, and such an assessment cannot be performed until a potentially eligible Class 1 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or modified structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performing design review for a particular new or modified structure in the Historic District is a key step that often enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.4 The Project does Not Qualify for a Class 3 Categorical Exemption*

The staff report discusses the Class 3 Categorical Exemption of CEQA Guidelines 15303, describing that, "[u]nder section 15303 of the CEQA Guidelines, projects consisting of "construction and location of limited numbers of new, small facilities or structures;

installation of small new equipment and facilities in small structures…", and argues that, "the ordinance amendment's exemption of fences, hot tubs, outdoor kitchens, and patios qualify for the Class 3 Categorical Exemption under CEQA, in addition to the Common Sense exemption." (PC 6-17-26 Packet p. 1319.)

In making this argument the staff report confuses potential future approvals for some unidentified new construction or conversion of a small structure with the current Project. The Project is the amendment of FMC 17.52. The Project does not involve an approval associated with a new or proposed conversion of a small structure, thus, the Class 3, "New Construction or Conversion of Small Structures," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of small structures in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 3 exemption. However, whether such projects may or may not qualify for the Class 3 exemption is a matter to be determined when such a project is proposed and requires assessment of the particular factors of the project. Moreover, as part of that assessment, the City would need to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 3 exemption, an assessment that cannot be performed until a potentially eligible Class 3 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or converted small structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performance of design review for a particular new or modified structure in the Historic District is a key factor that then enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.5 The Question of Exceptions to Categorical Exemptions is Moot and Staff's Conclusion is Not Supported by Substantial Evidence*

The staff report asks the Planning Commission to recommend that the City Council find, among other things, that none of the CEQA Guidelines 15300.2 *exceptions* to categorical exemptions apply. However, neither the Class 1 nor the Class 3 categorical exemptions identified in the staff report can be applied to the Project for reasons explained above, and the question of whether any exceptions to the exemptions is therefore moot. Nevertheless, additional discussion is provided here in response to the staff report.

#### *3.5.1 Unusual Circumstances*

CEQA Guidelines §15300.2(c) provides, "A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances." CEQA does not define the term "unusual circumstances," but case law has held that an *unusual circumstance* refers to

"some feature of the project that distinguishes it" from others in the exempt class. (*Fairbank v. City of Mill Valley*, (1999) 75 Cal. App. 4th 1243, 1259.)

The staff report states that "the ordinance amendments do not involve any unusual circumstances, because creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government, and as explained above, these changes will not have any significant effects on the environment." (PC 6/17/26 Packet p. 1319) This discussion in the staff report further emphasizes the fact that the Project does not fit within either the Class 1 or Class 3 exemption.

The staff report's statement that "creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government" may be accurate but has nothing to do with a comparison of the Project to the circumstances of a typical Class 1 or Class 3 project. In fact, the Project's circumstances are inherently *unusual* as judged relative to the typical circumstances of projects fitting either the Class 1 or Class 3 exemption, because the Project is an amendment to a zoning ordinance applicable to the entirety of Folsom Historic District.

If the unusual circumstances tail needs to be chased even further, then it is also worth noting that Project's unusual circumstance as compared to Class 1 and Class 3 projects does create the potential for significant impacts that would not be typical of the types of impacts associated with a Class 1 or Class 3 project, because the Project involves amendment of a zoning code regulating development and demolitions in a Historic District whereas the typical Class 1 and Class 3 project does not create or amend a zoning ordinance pertaining to a historic district.

Thus, even if through some abstract theory the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the unusual circumstances exception whereby the Project's unusual circumstance do result in the Project having the potential to result in adverse effects on the character of the Historic District by relaxing or eliminating design review requirements creating the potential for adverse impacts as discussed in this letter.

### *3.5.2 Historical Resources and Cumulative Impacts*

CEQA Guidelines §15300.2(f) provides, "Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource." Regarding the CEQA Guidelines § 15300.2(f) historical resources exception to the exemption, in *Hillside* the Supreme Court cited *Valley Advocates v. City of Fresno* (2008) 160 Cal.App.4th 1039 affirming the holding that once a resource is recognized as historic, "the fair argument standard applies to the question of whether the proposed project 'may cause a substantial adverse change in the significance of an historical resource' and thereby have a significant effect on the environment." (*Hillside*, supra, 60 Cal.4th at 1117.)

The staff report states that, "[t]he ordinance amendments would not result in any significant cumulative environmental impact, because there is no substantial evidence in the City's record demonstrating that the amendments would result in any significant increase in impacts in the Historic District by virtue of just changing the design review process, which still protects listed and potentially eligible historic resources."

The staff report's assertions fail to recognize the Project provisions that eliminate design review of non-building structures and eliminate design review of privacy walls and

fences, both of which if unregulated pose the potential to result in a substantial adverse change in the significance of individual historic resources within the Historic District and the overall quality and character of the Historic District. Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the historical resources exception.

CEQA Guidelines 15300.2(b) provides, "Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant."

Although the staff report asserts that the project would not result in any significant cumulative environmental impact, such a notion fails to recognize the breadth of the Project and the staff report's discussion does not provide any basis for cumulative circumstances that were considered in making its conclusion.

The Project amendments to FMC 17.52 alter and reduce the design review and other roles of the HDC, eliminate design review provisions for all non-building structures, and expressly exempt certain features from any design review. FMC 17.52 applies to the 98-block of Folsom's Historic District that contains federal, state, and locally recognized historic resources and properties, commercial areas with high tourism, recreational and cultural resources access, and the Historic District is a locally important historical resource. Elimination of design review provisions for all types of non-building structures that might be developed throughout the Historic District has the potential to result in significant adverse cumulative impacts when the Project (amendments to FMC 17.52) is considered in combination with future development within the Historic District.

Moreover, as discussed throughout the staff report, there are several types of individual future projects that may be developed in the Historic District – such as solar facilities, ADUs, multi-family housing – that will be exempt from CEQA and may also be exempt from design review whether by state law or by the City's own doing. Any consideration of cumulative effects of FMC 17.52 amendments must account for the potential for such developments to occur without design review and reflect the expanded importance of design review.

Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the cumulative impacts exception and the City has provided no meaningful evidence or assessment of these potential cumulative impacts.

### *3.6 Public Resources Code section 21080.35 Exemption*

The staff report states that, "[t]he ordinance amendments are statutorily exempt from CEQA review under Public Resources Code section 21080.35, which states in pertinent part that CEQA '...does not apply to the installation of a solar energy system on the roof of an existing building or at an existing parking lot.'" … "To the extent the ordinance amendments apply to solar panels on the roof of an existing building or at an existing parking lot, they are exempt from CEQA under this statute. Staff has not seen and does not anticipate receiving applications for the installation of solar panels on property within the Historic District that include a proposal to install solar panels anywhere other than the roof of an existing building or at an existing parking lot." (PC 6/17/26 Packet, p. 1320.)

The Project does not involve development or approval of a solar energy system and this statutory exemption is inapplicable as an exemption for the Project.

**4. Readopting Amendments to Chapter 17.52 will Restart a 90-Day Statute of Limitations for a Challenge of Provisions that Purport to Give Final Approval Decision to the HDC in Conflict with the City Charter**

When the City Council adopted the FMC 17.52 amendments on October 28, 2025, a final ruling was pending in a separate matter, *Delp v. City of Folsom, et al*. (Superior Court of California, County of Sacramento, Case No. 23WM000125) involving two causes of action, the second of which involved Delp's request for declaratory relief pertaining to Folsom City Charter Section 4.07's limitation on the authority of the Historic District Commission as pertains to the 603 Sutter Street Mixed-Use project that was subject to that litigation. On October 31, 2025, the Court issued its final ruling. With regard to the HDC approval authority, as pertains to the 603 Sutter Street project design review, the Court found that the City's interpretation of Charter Section 4.07 was "entirely unreasonable," and that,

> As the plain language of Section 4.07 provides, the City's authority to prescribe the "powers and duties" of other boards and commissions, like the Historic District Commission, is limited by the provision that "All boards and commissions only shall be advisory to the Council."

and that,

> the City exceeded the limitations of its Charter to the degree it authorized the Historic District Commission to exercise final approval authority over the Project. The FMC purports to grant the Historic District Commission "final authority relating to the design and architecture" of "[a]ll new office, industrial, commercial and residential structures," which includes the Project. (Pet. RJN Exh. C [RJN000060, FMC § 17.52.300.) The FMC also purports to authorize the Historic District Commission to carry out the City's CEQA compliance with regard to the Project, directing that the Commission "shall not approve applications prior to considering the applicable environmental document and complying with the requirements of CEQA[.]" (Id. at RJN000062, FMC § 17.52.390.) Approvals by the Historic District Commission may be appealed to the City Council, as the Project was here, but the Council is not required to review them. (Id. at RJN000083-83, FMC §§ 17.52.700-720.) These provisions purport to vest the Historic District Commission with the power to act on behalf of the City, without oversight or ratification by the City Council. They therefore cannot be squared with the Charter's limitation that the Commission's power is "only advisory." The City offers no authority or argument that the Historic District Commission acted in an "advisory" capacity when it approved the Project at issue here. **Thus, the provisions of the FMC which purport to delegate final approval authority to the Historic District Commission, as applied to the Project, conflict with the City Charter**.

(Superior Court of California, County of Sacramento, Case No. 23WM000125; *Final Ruling on Submitted Matter*, October 31, 2025. Emphasis added.)

In my comments to the City Council on October 14, 2025, (6/17/26 PC packet pg. 1424), I urged the Council to recognize that, "any revisions to FMC 17.52 that modify or expand the purported final authority of the HDC would exacerbate the existing FMC 17.52 conflict with City Charter section 4.07," noting the proposed amendments to 17.52.360 expanding the HDC's final authority role to include "expiration and extension of [conditional use] permits," FMC 17.52.370 expanding the HDC's final authority role to include "expiration and extension of [variance]

requests," and expanding the HDC's final authority role in acting as the appeal hearing body pursuant to FMC 17.52.700 for the proposed new design review authority of the CDD Director established by FMC 17.52.300(B).

Although a 90-day statute of limitations to challenge the expanded HDC final authority of the amendments adopted by the Council on October 28, 2025, has expired, and the ruling in Case #23WM000125 pertained to that particular project, any re-adoption of amendments to FMC 17.52 that involve a modification or expansion of HDC authority that cannot be squared with the Charter's limitation that the HDC's power is only advisory may be subject to legal challenge for a 90-day period pursuant to Gov. Code, § 65009, subd. (c)(1). I expect that the Project amendments could be *rescinded* to restore FMC 17.52 to its pre-2026 language without subjecting the code to potential challenge under Gov. Code, § 65009, subd. (c)(1).

Any amendments to FMC 17.52 should include changes to ensure that the roles allocated to the HDC are in accordance with the limitations imposed by Charter Section 4.07. Alternatively, the city should consider amending the FMC 17.52 appeal procedures in a manner to alleviate the issues associated with granting final authority to the HDC.

Given that the City Council is presently pursuing a ballot measure attempting to modify Charter Section 4.07, the outcome of which will be known in November of this year, it would seem prudent for the City to rescind Ord. 1353 and reinstall the pre-2026 FMC 17.52 until such time as the Council either abandons the ballot measure or until the election determines whether the Charter will be amended by the voters and what amendments to FMC 17.52 may or may not be then warranted.

**5. Conclusion**

I encourage the Planning Commission to recommend that the City Council rescind Ord. 1353, restore FMC 17.52 to its prior content.

Thank you for considering my comments.

Sincerely,

Bob Delp
Historic District - Folsom, CA 95630 -[redacted]

June 16, 2026

To: Planning Commission
From: Loretta Hettinger, vice president, Heritage Preservation League (HPL)
Re: Agenda Item #4, Re-adoption of revisions to FMC 17.52, 6-17-2026 PC hearing
Via e-mail to jbrandt@folsom.ca.us

The City is asking this Commission to take action on a project that only one of your members has been party to, a difficult position for you. The first part of Bob Delp's 6-16-2026 letter to you provides a good summary of the process which brought about the existing City regulations for the Historic District. The next part of his letter goes into the details of the CEQA issue. HPL is not writing here to argue technicalities with an array of lawyers.

Instead, HPL's goal is to support the intent of the ordinance revisions to reduce demands on staff while calling out the unintended consequences of the ordinance and then recommending a path forward that achieves both the efficiency goal and protection of the goals of the Historic District at the same time. We believe both goals are achievable but not by re-adoption of this ordinance.

This ordinance attempts too much and thus succeeds in raising more issues than the "simple" transfer of review authority from one body to another. One example is that it changes the subject matter of design review, for both staff and the Historic District Commission, by limiting such review to buildings, leaving out structures. That is a simple fix: include structures or leave out this section altogether since existing regulations are clear that structures are important and need ordinance protection. Another example is that it changes the noticing requirement for both staff and Historic District Commission review of projects.

The responsibility the ordinance places on the Community Development Director is heavy. Unmodified by this ordinance, FMC 17.52.010,5 calls out a standard that a project must be "consistent with the historical character of the Historic District", not merely "compatible," a lower standard sometimes used for less valuable structures in other jurisdictions. The ordinance charges the Director with making the call about whether a proposed project is "historical" or not, a call which determines whether staff can make the decision or whether it must be heard by the Historic District Commission— importantly also, whether it can be demolished. This provision threatens the General Plan's and zoning's goal of maintaining a historic small town. Why? Because there is no adequate standard on which to base the Director's call and because there is no requirement that there be historic preservation/architectural expertise of the Director or among the staff to attempt to "fill in the blanks" of the piecemeal standard the ordinance offers. This issue can be avoided, but first we should make clear the deficiencies of the standard. Those deficiencies reverberate throughout all the topic areas of the ordinance.

In HPL's 6-8-2026 letter to the City Council is a brief description of the difference between Folsom's historic preservation goal and that of more typical historic preservation efforts, beginning at the bottom of p. 3 and extending on p. 4. As we look at the ordinance's piecemeal standard, it is also helpful to consider Folsom's similarities to other preservation efforts as well as its difference. To preserve a building identified as an outstanding architectural example of a historic period, typical preservation regulations will require that all modifications to the building must be in keeping with its architectural style. Folsom's requirements also uphold this principle. It is not appropriate to put a ranch-style picture window in a Queen Anne Victorian building. Folsom's regulations regarding the District as a whole operate on the same principle: the District as a whole is to be afforded the same protection as an individual building within it. No

discordant elements are appropriate, whether it's an inappropriately designed building or a fence that doesn't use historic materials, or any other aspect that is visible to the public. For example, vertical curbs are historic; rolled curbs are modern and don't belong in a preserved small town. These details are just as important to the goals of preserving a historic small town as the detail of what window design is appropriate in a Queen Anne house.

We describe the ordinance's standard as piecemeal. One piece of guidance for the Director is found in section 17.52.300C1i relating to exemptions, which says the Director can deem other projects exempt if they are similar in material, design, and scope to the listed exemptions, unless they are "on the City's Cultural Resources Inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines section 15064.5 or the adopted City of Folsom Historic Preservation Master Plan, which are subject to historic district commission approval." So anything that this standard doesn't require to go to the Commission can be deemed exempt from review by a Director's finding that it is similar to listed exemptions. Because there is no guidance on how similar it would need to be, a Director would of course consider what is required to go to the Commission. There are very few structures listed on the City's Cultural Resources Inventory, not because there is a dearth of historic structures but because they have not been documented. The Preliminary Cultural Resources Inventory in the Historic Preservation Master Plan (HPMP) is a listing of resources that potentially meet the "contributing" standard. That list is helpful but vague and non-specific on various topics and demonstrably incomplete. For example, the Orangevale Avenue Bridge was omitted from the list and ultimately documented for the Cultural Resources Inventory because HPL and the Lincoln Highway Association brought it to the City's attention in connection with a proposed Public Works project.

So where besides these two lists would the Director look for guidance? As quoted above, the ordinance cites a CEQA Guidelines section and the HPMP. Those two define the process for determining what belongs on a register of historic places. As anyone knows who has evaluated a site for placement on a register, the documentation process is lengthy. For example, the process of preparing the documentation to put Folsom Prison on the City's Cultural Resources Inventory took a year. The CEQA process takes a comparable amount of time. The truth is that most buildings in the Historic District have not been evaluated to determine whether they are "contributing" or "non-contributing" (terms widely used in the historic preservation field and appropriately applied in the Historic District) beyond the simple fact that they are located in the Historic District. Staff clearly does not have the time to do this level of evaluation when an application is submitted, and so these provisions do not address the goal of reducing demands on staff and in fact increase their workload.

Another piece of guidance is found in section 17.52.660 A., which allows any building (again, leaves out structures, as noted above) that is not at least 50 years old to be demolished. Mere age does not determine whether a building is "contributing" or "non-contributing". Buildings that are newer, that have been designed and built in conformance with appropriate historic design, contribute to the goals of preserving a historic small town, for example, the buildings Jerry Bernau constructed on Figueroa Street and others. Under provisions of the ordinance, they could be demolished, exempt from any review at all. Neither staff nor Commission would have authority to deny. We would have said that such a demolition request is quite unlikely—until SB 79.

Having every building in the District evaluated has always been a goal. How is it that the District has been able to be successful without those evaluations? The answer is the Historic District Commission process, which filled gaps in the staff's or applicant's knowledge by giving the

public the opportunity to participate in and influence the determination. An example is the log cabin that was requested to be demolished. Until the public became aware, there was no indication by the applicant or staff that the building was historic.

So how can the goal of reducing demands on staff be achieved if we have no reliable, speedy standard for them to use?

The original ordinance and DDG's allow that any structure can continue in its existing style when modifications are proposed. Evaluating a project for consistency with its existing style would not require specialized knowledge and appears to further the state's goal of a route to speedy, ministerial approval of housing. What it would mean for the ultimate goal of preserving a historic small town is simply pushing goal achievement farther into the future if non-contributing styles are continued. Applicants should always have the option to request Commission review if they are ready for their project to fully support the District's adopted goals. This approach has buy-in from HPL and the Historic Folsom Residents Association, and likely the Folsom Historic District Association although we have not specifically asked them. We believe that this approach is consistent with Bob Delp's goals also. The current ordinance proposal does not have support from any of these groups.

These are not all of HPL's concerns, as noted in the 6-8-2026 letter to the City Council. Regarding exemptions, a performance standard that calls for historic design of projects in public view rather than automatic exemption of project types would support the goals of the Historic District. We also see no reason to delay amending the appeals process, which currently excludes most appeals, including those of organizations like HPL, HFRA, and FHDA, organizations deeply involved and knowledgeable about the Historic District.

HPL recommends that the Planning Commission continue this item to allow for re-consideration of ordinance revisions rather than re-adoption. In keeping with HPL's mission, we are ready to assist the City in achieving both the goal of relieving staff's workload and the goals of the General Plan and zoning to preserve a historic small town.

Bob Delp - June 22, 2026

City of Folsom Historic District Commission
50 Natoma Street
Folsom, CA 95630
via email to: ksanabria@folsom.ca.us; jkinkade@folsom.ca.us for distribution to the Historic District Commission

**SUBJECT: June 24, 2026, Agenda Item No. 2 – Zoning Code Update – Revisions to Chapter 17.52: Historic District (Re-Adoption) – File #ZCAM26-00069**

To the Historic District Commission:

I am the Petitioner in Superior Court of the State of California, County of Sacramento, Case No. 26WM000118 that, as discussed further in section 3 of this letter, pertains to the City Council's October 28, 2025, approval of the Folsom Municipal Code Chapter 17.52 ("FMC 17.52") amendments ("Project") that are the subject of this Historic District Commission ("HDC") agenda item. However, I am providing these comments as a citizen of Folsom and a resident and property owner in the Historic District interested in the protection, preservation, and enhancement of the Historic District's character and quality.[1]

Last week, on June 17, 2026, the Planning Commission engaged in a refreshingly open discussion of the FMC 17.52 amendments. One Planning Commissioner who also serves on the HDC discussed that, when considering the proposed amendments last year, he had not fully appreciated the extent to which the amendments eliminated certain design review provisions. After discussion, the Planning Commission passed a motion that included a recommendation that the City Council "reconsider section 17.52.300(C)(1)(e) which is the thing that excludes all fences from any design review at all." Contrary to the motion passed by the Planning Commission, your staff report incorrectly notes that the Planning Commission's recommendation was simply that the Council consider fence material type through some future consideration of zoning code amendments.[2]

In the 1990s the City undertook a substantial effort in considering ways to protect and preserve the Historic District that culminated in the adoption of a re-written Folsom Municipal Code Chapter 17.52 ("FMC 17.52") and accompanying Historic District Design and Development Guidelines ("DDGs"). Many thoughtful people worked very hard to create a process defining

[1] On June 17, 2026, Community Development Department ("CDD") staff brought this item to the Planning Commission for a recommendation to the City Council. I and others submitted written comments to the Planning Commission that are included as Attachment 2 of the staff report to HDC (beginning at HDC 6/24/26 pkt. pg. 150). My June 16, 2026, comment letter is incorporated here by reference and much of its content is reiterated in this letter with supplemented discussion.

[2] I urge the HDC to listen to the audio of the Planning Commission meeting prior to your June 24, 2026, meeting. Contrary to the summary of that meeting presented in the staff report to HDC (HDC 6/24/26 Pkt. pg. 12), the final motion approved by the Planning Commission included "*to recommend the City Council reconsider section 17.52.300(C)(1)(e) which is the thing that excludes all fences from any design review at all.*" Although staff's summary in the HDC staff report describes that the Planning Commission recommended that the City Council have staff "look at further modifying FMC Chapter 17.52 and consider increasing the amount of non-allowable fencing materials as part of the overall zoning code update," the staff report fails to acknowledge that the Planning Commission voted unanimously to recommend reconsideration of the privacy walls and fence exemption "*now*" as, when asked by the Chair to confirm the intent of his friendly amendment to the motion, the Commissioner explained, "*yeah, I'd like them to think about it now*." The Commissioner's friendly amendment regarding the Council's reconsideration the of the privacy walls and fence exemption *now* was seconded and unanimously approved by the Commission. Discussion of FMC 17.52 during the Planning Commission meeting begins at 1:44:05 here: https://folsom.granicus.com/player/clip/3197?redirect=true

objective standards and a design review process applicable to all structures in the Historic District. The process may not be perfect and in recent years has been confronted by state laws that, while attempting to achieve commendable aims, have limited the City's ability to exercise design review to the extent envisioned in 1998. Nevertheless, the design review provisions of FMC 17.52 and the DDGs still serve a vital function in preservation and protection of the Historic District. Amending the processes they describe should not be taken lightly and the effects of any amendments should be fully understood before their approval.

The FMC 17.52 amendments effectively eliminate design review for all *structures* that do not meet the definition of *building* by establishing in FMC 17.52.300 that the HDC and CDD design reviews only apply to *buildings*. The distinction between these two terms and the resulting change in design review provisions resulting from the FMC 17.52 amendments focus on "buildings" are important for understanding the implications of the FMC 17.52 amendments. These definitions may have been overlooked by staff, the HDC, and the City Council in adopting the amendments last year and certainly warrant further consideration now.[3] The staff reports argue that only certain "very small" structures will be exempt from design review, however, the amendments establish no person and no commission to perform design review of any structures that are not buildings and therefore effectively eliminate all design review authority for all non-building structures. The City's claim that design review is only limited to certain "very small" structures cannot be reconciled with the actual effect that the amendments have in eliminating design review authority for all non-building structures. If this is an *unintended* aspect of the amendments, then now is the time for correction by ensuring that 17.52.300 establishes a design reviewer for non-building structures.

Although staff is asking the HDC to recommend that the City Council simply re-adopt the amendments – seemingly disregarding the Planning Commission's June 17, 2026, recommendation regarding reconsideration of the privacy walls and fences exemption, as discussed above – I am hopeful that the HDC will give serious consideration amendments and provide a thoughtful recommendation to the Council that allows for more thorough consideration of amendments that achieve the City's efficiency goals while not eliminating important design review provisions that protect the Historic District's character and quality.

The Project amendments go too far in relaxing and eliminating important provisions of FMC 17.52 that were carefully developed through a rigorous process in the 1990s leading the 1998 rewrite and adoption of FMC 17.52 and its companion DDGs. In addition to eliminating design review of non-building structures, the Project amendments wrest far too much of the remaining design review role from the HDC and reassign that role to the CDD Director. Although I have disagreed with certain decisions made by the HDC in recent years, design review performed by a *commission* through a public hearing provides for a more comprehensive perspective on design considerations, allows for a more formal and visible public noticing and public comment

[3] The importance of not ignoring the FMC's definitions of terms is highlighted in an October 31, 2025, Sacramento County Superior Court decision pertaining to the 603 Sutter Street Mixed-Use project (Case No. 23WM000125) where the Court ruled that at the City did not comply with the California Environmental Quality Act ("CEQA") in approving that project. For that project, the City had determined that the project's parapet wall could be excluded when calculating the building height. To my knowledge, nowhere in the record had staff ever advised the HDC or City Council that the FMC definition of "building height" specifically establishes that building height is to include measurement to the highest point of any parapet wall. After two years of costly litigation, the Court concluded that "*…the City's interpretation is foreclosed by section 17.02.110, which specifically includes a building's parapet wall in the definition of 'Building height.' While the City is permitted to reasonably interpret its own codes and ordinances where they are unclear or conflicting, it is not permitted to ignore directly applicable provisions of such codes.*"

process, eliminates one-on-one influence, and improves design review decision-making. Often, the HDC considers staff recommendations, discusses design adjustments with staff and applicants, and modifies staff's recommendations to ensure design is more appropriate for the Historic District.

This is the very mechanism that, in 1998, City decision-makers decided was appropriate for the Historic District – with a *commission* performing design review not only for properties specifically identified on the City's list of historic properties, but for all properties, buildings, and other structures throughout the Historic District – where all properties contribute to the historic character of the entire Historic District that FMC 17.52 and the DDGs are intended to protect.

With all due respect to the CDD director and staff, shifting much of the design review role away from the HDC and to the CDD director, especially in the absence of establishing some minimum qualifications for the director or staff to perform such review, is a substantial shift from the process implemented in 1998 and stands to diminish protection of the Historic District. If the HDC agrees that it serves an important function, the HDC should take this opportunity to indicate your perspective on the value and benefits of commission reviews, and I hope you will express support for retaining the design review role by a commission and not by staff for all but truly minor Historic District projects.

The remainder of this letter addresses issues in more detail but, in summary, I encourage the HDC to recommend that the City Council rescind Ord. 1353 and restore FMC 17.52 to its prior content allowing for a more thorough review process of any subsequent amendments.

## 1. FMC 17.52 and DDG Background

Several of the Project amendments to FMC 17.52 either omit or alter design review and demolition review responsibilities. The amendments create internal inconsistencies within FMC 17.52 with regard to the scope and responsibilities for design review and create inconsistencies between FMC 17.52 and the DDGs. The purpose and intent of FMC 17.52 and the DDGs are important for understanding the baseline conditions to which any amendments to FMC 17.52 must be compared to understand the effects of any amendments.

On July 14, 1998, the City Council adopted Ordinance No. 890 which, among other things, rewrote FMC Chapter 17.52, established the HDC, and established Historic District primary and subarea boundaries in which specialized use and development standards apply. As stated in FMC 17.52.010,[4] "Purpose and intent," among the express purposes of FMC Chapter 17.52 are,

> 1. To preserve and enhance the historic, small-town atmosphere of the Historic District as it developed between the years 1850 and 1950;
>
> 2. To maintain, restore, and reconstruct historic structures and sites within the Historic District;
>
> 5. To ensure that new residential and commercial development is consistent with the historical character of the Historic District as it developed between the years 1850 and 1950; and
>
> 6. To increase the awareness, understanding, and appreciation of the history of the City.

[4] The attachment to your staff report includes only excerpts of the amended sections of FMC 17.52, but I urge the HDC to obtain and consider the full chapter since several unamended sections are also important for understanding the amendments. An online version, as amended, is here: https://www.codepublishing.com/CA/Folsom/#!/Folsom17/Folsom1752.html#17.52

As adopted in 1998 and unmodified by the Project amendments, FMC 17.52.120(G) establishes that the HDC is to "[r]eview the design and architecture of any new structure, or alteration to any existing structures within the historic district," and FMC 17.52.330(B) anticipated that as part of the HDC's design review the HDC would consider criteria including "conformance with any…historic District design and development guidelines adopted by the city council."

Three months later, on October 13, 1998, the City Council adopted the *City of Folsom Historic District Design and Development Guidelines* (Resolution No. 5757) ("DDGs")[5] to provide a comprehensive document to assist with the implementation of the regulations and standards contained in FMC 17.52. The DDGs are not perfect, but they offer extensive and beneficial guidance for development in the Historic District.

Section 1.01, "Intent," of the DDGs explains,

> the City Council elected to adopt Historic District Design and Development Guidelines (hereafter the "Design and Development Guidelines") in conjunction with amendments to Chapter 17.52 of the Folsom Municipal Code (hereafter "Chapter 17.52"). By adopting the Design and Development Guidelines, the City Council intends to provide a comprehensive policy manual to assist with the implementation of the regulations contained in Chapter 17.52 of the Folsom Municipal Code. The goals, policies, and programs which have guided the preparation of this document and which are to be used in implementing Chapter 17.52 are enumerated in detail in Section 2.01 of this document. In addition to providing design review standards, the City Council intends to set forth in this document criteria that will guide further development within the Historic District. These Design and Development Guidelines provide policy direction concerning private and public development within the Historic District, as well as policy direction concerning public infrastructure and circulation improvements.

(DDGs, p. 1-1.)

The DDGs further explain the City Council's purpose and intent for FMC 17.52 and the DDGs to work in combination for protection of the historical character of the entirety of the Historic District and not solely focused on protection of certain individual properties deemed historically significant,

> Historic Folsom is also a representative example of the development of many small towns across the American West, and this legacy is likewise worthy of preservation, interpretation, and re-creation. While modern developments consist of carefully integrated architecture, materials, and site plans, protected by Design and Development Guidelines and CC&R's against discordant future construction, traditional development was more varied and occurred on a lot-by-lot basis. In conjunction with the regulations imposed by Chapter 17.52 of the Folsom Municipal Code, the Design and Development Guidelines limit future construction in Historic Folsom to the architectural styles extant in California

[5] The 1998 "Historic District Design and Development Guidelines" ("DDGs") are incorporated by this reference in their entirety. At the time of preparation of this letter, the DDGs are available to the public on the City of Folsom website at:
Main Document: https://www.folsom.ca.us/home/showpublisheddocument/23554/639038904142800000
Appendix A, Historic Resources: https://www.folsom.ca.us/home/showpublisheddocument/23556/639038904870370000
Appendix B, Visual Resources: https://www.folsom.ca.us/home/showpublisheddocument/23558/639038904877770000
Appendix C, Environmental Resources: https://www.folsom.ca.us/home/showpublisheddocument/23560/639038904884700000
Appendix D, Design Criteria: https://www.folsom.ca.us/home/showpublisheddocument/23562/639038904905270000
Appendix E, Historic District Circulation Plan: https://www.folsom.ca.us/home/showpublisheddocument/23564/639038904914600000

> from 1850 to 1950, a limitation intended to encourage the diversity which is the charm of old Folsom while preventing construction of modern buildings which would be discordant. While there are only a few structures within Historic Folsom which are individual architectural stand-outs, the homes and buildings, when taken together, evoke the feeling of life in small-town America, an aspect often ignored by history books and preservation efforts. By the adoption of Chapter 17.52 and these Design and Development Guidelines, the City Council seeks to preserve that image.

(DDGs, Section 1.01, pg. 1-2.)

The DDGs include goals and policies pertaining to Historic District design review including,

> GOAL l: Community Identity: To preserve and enhance the historic, small-town atmosphere of the 98-block Historic District area.
>
> Policy 1.4: Since the Historic District plays a central role in determining the character of the City of Folsom, **every project within the Historic District, at every stage of approval and construction**, should be marked by an attention to quality which will serve as a benchmark to the rest of the community.
>
> GOAL 6: New Development: To ensure that new residential and commercial development is consistent with and enhances the historical character of the historic district.
>
> Policy 6.1: New development shall conform to architectural and infrastructure standards of Chapter 17.52 of the Folsom Municipal Code and these Design and Development Guidelines.

Additionally, the DDGs assign demolition review for all existing structures in the Historic District to the HDC, stating,

> Policy 6.3: Demolition of existing structures located in the Historic District shall require approval of the Historic District Commission, which shall consider 1) whether the public health, safety and/or welfare warrant the demolition; 2) what accommodation can be provided to the owner of the property to make it feasible to preserve the property or structure; 3) whether the owner of the property is willing to sell the property or structure to a buyer who wishes to preserve it; and 4) whether a public entity wishes to acquire the property or structure in order to preserve it.

The DDGs are not simply an afterthought of niceties, they were developed as an integral part of the vision established by the City Council in 1998 for the preservation and protection of the Historic District.

As described section 1.03, “CEQA Compliance,” of the DDG’s,

> The City conducted environmental review of a proposed Historic District Specific Plan. Due to the nature and complexity of the Plan and the projects which will follow under it, a Master Environmental Impact Report (MEIR) was prepared. The City Council ultimately elected to implement zoning changes to Chapter 17.52 of the Folsom Municipal Code and design standards through the adoption of these Design and Development Guidelines. Many of the provisions of the proposed Historic District Specific Plan and the amendments to Chapter 17.52 are

> contained within these guidelines. Accordingly, the City Council relied upon the MEIR for evaluation and consideration of environmental impacts.

Thus, the 1998 FMC 17.52 and DDGs were intended not simply as preferred land use regulations for the Historic District, but also incorporated provisions and mitigation identified through the California Environmental Quality Act ("CEQA") process as necessary to protect the character and quality of the Historic District. The City has all but ignored the fact that a comprehensive CEQA process was conducted prior to the adoption of FMC 17.52 and the DDGs.

Through that process, the City not only included provisions in FMC 17.52 and the DDGs to avoid or minimize adverse effects of development in the Historic District, but also identified several mitigation measures, including the following pertaining to inadvertent discovery of cultural resources:

> Should any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any development activities, work shall be suspended and the City of Folsom shall be notified. The City shall consult with a qualified archaeologist to determine if the encountered resources are "important" cultural resources within the definition of CEQA Appendix K. The consulting archaeologist shall develop, if necessary, further mitigation measures consistent with CEQA Appendix K to reduce any cultural resource impact less than a significant level.

(Folsom Historic District Specific Plan, Mitigation Monitoring Program, January 21, 1998. State Clearinghouse Number: 95032066, pg. 9.)

I am uncertain of the ultimate disposition of the Mitigation Monitoring Program and the City's staff reports for the Project amendments provide no discussion of the previous CEQA effort in its current evaluation. However, the City has consistently included similar inadvertent cultural resources discovery provisions as conditions of approval for design review projects that involve ground disturbance in the Historic District. Yet, staff reports for the Project provide no explanation of how projects involving ground disturbance in the Historic District that will now be exempt from design review will still somehow be required to implement inadvertent cultural resources discovery protocols or, if such projects will not be required to implement these protocols, how impacts to cultural resources that may be present within a development footprint will be avoided or otherwise mitigated.

**2. The Project Eliminates Design Review for All Non-Building Structures**

Prior to the FMC 17.52 amendments approved by the City Council in October 2025, FMC 17.52.300 specified that the HDC was to perform design review of all proposed new or modified *structures* in the Historic District. Since there was no other design reviewer identified, it was very clear that any design review requirement discussed in any section of FMC 17.52 fell squarely on the HDC.

However, under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed for only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director. (See HDC 6/24/26 Packet pages 1347-1348 where FMC 17.52.300(A) provides for HDC design review of certain projects in which all previous references to "structures" are stricken and replaced with the more limited term "buildings" and FMC 17.52.300(B) provides for CDD Director design review of all other

renovations, additions, and accessory *buildings* without assigning design review authority for review of non-building *structures*.)

FMC Chapter 17.02 "Definitions," defines these terms:

> 17.02.090 Building. "**Building**" means any structure having a roof supported by columns and/or by walls and intended for the housing or shelter of any person, animal or chattel.
>
> 17.02.400 Structure. "**Structure**" means anything constructed or erected upon the ground or attached to a structure having location on the ground.

The definition of "structure" is very broad while the definition of "building" is much narrower (if not also subjective and awkward). All buildings are structures, but many structures are not buildings.

Eliminating design review of non-building structures is a substantial new limitation to the design review provisions of FMC 17.52. Staff describe that the amendments exempt only "certain very small projects from design review," yet staff seemingly fail to recognize that *all* non-building structures, regardless of size, would no longer subject to design review under the amended language. The amended FMC 17.52.300 establishes that certain new or modified *buildings* are subject to HDC review and that other new or modified *buildings* are subject to CDD review, but contains no provisions for any design review of non-building structures neither by the HDC nor the CDD Director.[6]

Moreover, the FMC 17.52.300 amendments conflict with other sections of FMC 17.52 not amended by the Project. For instance, FMC 17.52.120 specifies duties of the HDC which include, "G. Review the design and architecture of any new *structure*, or alteration to any existing *structures* within the historic district, as further defined in this chapter," yet, with the FMC 17.52.300 amendment, neither the HDC nor the CDD Director has authority to review any new or altered non-building structure. Additionally, FMC 17.52.400 specifies that "design review is required for all new *structures* and alterations to existing *structures*," yet, as amended, FMC 17.52.300 no longer provides any role for either the HDC or CDD to perform design review for non-building structures.

In making any recommendation to the City Council, I think it is critical that the HDC fully understand the implications of the elimination of design review for non-building structures. Staff's incorrect premise that only "certain very small projects" would be exempt from design review cannot be reconciled with the actual language and effects of the amendments that eliminate design review authority for all non-building structures.

The City needs to either restore design review of non-building structures or the City's analysis of the Project and its potential effects on the character of the Historic District must include consideration of the effects of eliminating design review for all non-building structures.

### 3. CEQA Compliance

On October 28, 2025, when the City Council adopted Ord. 1353 amending FMC 17.52 ("Project"), the Council determined the Project was exempt from CEQA review because the

[6] The CDD website identifies that design review is required for certain types of non-building structures (e.g., landscape features depending on size/location, pools and spas depending on location), however, the amended FMC 17.52 provides no authority for any such design review since these features are not *buildings* and the CDD exceeds its authority if it exercises design review over non-building structures.

Project was "process related and administrative in nature" and therefore qualified for the CEQA Guidelines § 15061(B)(3) "commonsense" exemption.

Prior to the Council's approval of the Project, I submitted comments opposing the Project and providing explanation and evidence that the Project would have the potential to result in significant impacts to the historic character of the Historic District and that the Project did not qualify for a CEQA exemption. Others, including those involved in developing FMC 17.52 and the DDGs in the 1990s, also expressed concerns and provided comments to staff, the HDC, and the City Council prior to approval of the Project.

After requesting in November 2025 that the Council rescind Ord. 1353 and after allowing nearly six months for the Council to do so, on April 23, 2026, I filed a petition for writ of mandate with the Superior Court of the State of California, County of Sacramento, (Case No. 26WM000118) challenging the City's approval of the Project with a CEQA exemption. That lawsuit is the obvious catalyst for the City's current effort to re-approve the Project and assert additional grounds for exempting the Project from CEQA review. Yet, the CEQA arguments that the staff report now presents to the HDC (HDC 6/24/26 pkt, pp. 13 - 16) misconstrues the Project and does not provide substantial evidence that the Project qualifies for one or some combination of CEQA exemptions.

As a last-minute change prior to last week's Planning Commission meeting, staff added a proposed resolution statement claiming the Project is actually not a project at all under CEQA. But the Project is a project under CEQA as, among other things, the elimination of design review that would otherwise be performed for all non-building structures has the obvious potential to cause an indirect physical change in the environment as compared to circumstances in which all buildings and structures are subject to design review, as discussed further herein. To argue otherwise would require one to take the position that the design review process has no influence on the character or quality of non-building structures constructed, modified, and/or demolished in the Historic District. Instead of addressing that fact, the staff report to the HDC now claims the Project is not a project under CEQA "[b]ecause changing which body (HDC or City staff) will process the minor approvals covered under the proposed amendments does not have the potential to cause a physical change in the environment directly or indirectly." Even were staff correct that changing the body performing design review has no potential to result in physical changes, this argument fails to address other aspects of the Project that modify and eliminate design review of all non-building structures. Staff's attempt to claim the Project is not a project under CEQA falls short of even attempting to address the whole of the Project and fails to account for the indirect physical changes to the environment that will occur as a result of the Project's elimination of non-building structure design review.

In contrast to staff's new claim that the Project is not a project under CEQA, the staff report also argues that the Project is eligible for the CEQA Guidelines 15061(b)(3) "commonsense" exemption and also attempts to overlay or incorporate other CEQA exemptions in arguing that environmental review of the Project is not required. As discussed below, the Project does not qualify for the 15061(b)(3) exemption and the City's attempt to bolster its rationale fails.

Moreover, with or without application of additional CEQA exemptions, the Project does not qualify for the 15061(b)(3) exemption. Additionally, the staff report's attempt to assign a CEQA exemption to certain aspects of the Project as ministerial is misguided. The Project clearly involves discretionary decision-making and CEQA Guidelines expressly state, "[w]here a project involves an approval that contains elements of both a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA." Also, the staff report's attempt to assign categorical exemptions to the Project or

portions of the Project is also misguided. The Class 1 and Class 3 categorical exemptions asserted in the staff report might be applicable to certain discretionary approvals in the Historic District, but they are inapplicable to the City's consideration and approval of the Project because the Project is a zoning ordinance amendment and is not a decision to approve modifications to existing facilities, small structures, or any other facilities or structures. Moreover, after introducing these two irrelevant categorical exemptions, the staff report attempts to discuss whether any *exceptions* to these exemptions apply. Yet, because the Project does not involve any specific development and the Class 1 and 3 exemptions cannot be applied to the Project, there is neither current relevance nor a basis to conclude that the exceptions to the exemptions would not apply to specific development subject to FMC 17.52.

### *3.1 The Project does Not Qualify for the Commonsense Exemption*

The CEQA Guidelines 15061(b)(3) exemption can be applied only, "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." In claiming this exemption, the City must provide substantial evidence for how the proposed FMC 17.52 amendments would have no possibility of a significant impact. The City Council's October 2025 approval of the Project rested on the assertion that "the proposed code amendment is *process related and administrative in nature* and therefore will not have a significant effect on the environment," and does not consider the implications of eliminating certain projects from design review and other changes in design and demolition review processes that would result from the Project amendments.

In attempting now to substantiate the Project's qualification for the 15061(b)(3) exemption, the staff report asserts that, "[t]he ordinance amendments proposed for re-adoption do not have the potential to cause a significant effect on the environment," and that the Project's exemption of "certain very small projects from design review" would not have potential to cause any significant impacts on the environment. The staff report also discusses that "several of the project types exempted from design review are required to be located in side or rear yards for the exemption to apply." (HDC 6/24/26 pkt. p. 14)

The staff report's arguments do not address substantial evidence indicating the potential for significant impacts and does not provide substantial evidence that the Project would have no possibility of a significant impact precluding the Project from the 15061(b)(3) exemption.

#### *3.1.1 Elimination of Design Review for All Non-Building Structures*

As discussed above in Section 2 of this letter, prior to the Project amendments, FMC 17.52.300 specified that the HDC was to have final authority over all new office, industrial, commercial, and residential *structures*, and all exterior renovations, remodeling, modification or addition to existing *structures*. Under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director.

Without a designated body and process, design review of non-building structures is effectively eliminated from FMC 17.52. With the Project amendments, the list of exempt non-building structures in FMC 17.52.300(C) represents only a small subset of the types of non-building structures for which design review will not be performed as a result of the Project.

The staff report and staff's assessment of potential impacts of the Project does not mention or assess the impacts of eliminating design review of all non-building structures and, thus, fails to

provide evidence that the Project's elimination of design review for all non-building structures would have no possibility of a significant impact.

The elimination of design review for all non-building structures eliminates design review of many types of new and modified structures (e.g., privacy walls, retaining walls, fences, decks, pools/spas, play equipment, courtyards, exterior street-to-sidewalk stairways and railings, amphitheaters, bridges, public restrooms, mechanical equipment, roads, bike paths, sidewalks… all of which meet the definition of "structures" under the FMC 17.02.400) and any of which would have the potential to be inconsistent with the Historic District character if developed without going through the FMC 17.52 and DDGs design review process.

The elimination of design review of non-building structures would also eliminate any discretionary review of many such structures, and would provide no mechanism for the City to impose standard conditions of approval that are used mitigate impacts, including the standard condition pertaining to inadvertent cultural resources discovery discussed above in Section 1 of this letter.

*3.1.2 Exempting Privacy Walls and Fences*

Even if design review were restored for most structures, the exemption of privacy walls and fences would still have the potential for adverse effects on the Historic District character and quality and its individual historical and contributing resources.

The staff report asserts that, "[s]everal of the very small projects, including like-for-like structural replacements, residential re-painting, privacy walls/fences, and solar panels were already not going through design review based on the City's consistent past practice and thus, would not result in any change from baseline conditions for those projects."

Regardless of how baseline conditions might be defined for future review of a particular proposed structure, such as a privacy wall or fence, the relevant CEQA baseline for consideration of the potential environmental effects of the Project is the specifications of FMC 17.52 as it existed prior to the Project amendments. Under that appropriate baseline condition, FMC 17.52 provided for HDC design review of fences and all other new and alterations to existing structures, stating in FMC 17.52.400, "Design standards,"

> A. The design standards specified in Sections 17.52.410 through 17.52.590 shall be applicable to all new structures and alterations to existing structures within the historic district. ***Design review*** **is required for all new structures and alterations to existing structures, unless otherwise specified in this chapter.**

Unmodified by the Project amendments, FMC 17.52.430 – 17.52.480 provide objective standards for certain types of non-building structures[7] and specify when certain sizes and/or locations of structures are not subject to design review. For instance, FMC 17.52.460 specifies objective standards for play equipment and exempts play equipment smaller than 120 square feet or below fence height from design review; whereas FMC 17.52.440, "Fences," specifies objective design standards for fence height without providing an exemption from design review. By a plain read of the text it is undeniable that, prior to the Project amendments, FMC 17.52 required design review for all structures, including fences. The Project amendments to FMC 17.52 that include "privacy walls and fences" on a list of features exempt from design review

[7] e.g., 17.52.430 Decks, 17.52.440 Fences, 17.52.450 Landscape features, 17.52.460 Play Equipment, 17.52.470 Swimming Pools and Spas, 17.52.480 Accessory Structures.

must be compared to the existing condition baseline under which design review was required by FMC 17.52.

The staff report's assertion that fences and other types of structures "were already not going through design review based on the City's consistent past practice" might reveal some deficiency of the City to actively implement FMC 17.52's design review provisions for fences, but does not establish the relevant baseline for consideration the Project's potential effects.

The City Police Department, from time to time and for various reasons, may not always actively enforce speed limits on City streets, but that does not negate the beneficial effect and value of maintaining posted speed limits on City streets, nor does it mean that speed limits could be abolished with no effect on driver behavior. Similarly, that any given time the CDD may not be actively performing/enforcing the required design review for certain types of projects does not negate the benefits of maintaining design review requirements in FMC 17.52.

Were individual property owners in the Historic District to build privacy walls or fences without first obtaining design review approval, those property owners would nevertheless be influenced by the risk of non-compliance and incentivized to design the structure consistent with Historic District character (akin to a driver heeding speed limits even in the absence of police enforcement). Moreover, the design review requirement for fences provides a mechanism through which the City could take enforcement action for a property owner's failure to obtain a design review approval and remedy an inappropriate fence design. Without a design review requirement, the City has no mechanism or ability to enforce restrictions on inappropriate fence design.

Section C of Appendix D of the DDGs provides Historic Residential Design Criteria, and specifies the following design provisions for walls and fences:

> *Walls and fences.* Materials of walls and fences shall reflect the style and character of the building and its site. Where large expanses of blank building wall, retaining wall or fencing are unavoidably exposed, they should be screened with upright shrubs or trellised vines. Trellises are to be constructed of substantial, durable materials, but may incorporate redwood lath lattice. **Inappropriate materials such as chainlink, split rail, and other non-historic fencing materials are not permitted**.

(DDGs, Appendix D, p. 55.)

Without establishing specific design requirements for fence design, the DDGs section above provides guidance for the City's design review of walls and fences. Thus, the Project's elimination of design review of walls and fences effectively eliminates all regulation and related incentives for individual property owners to achieve wall and fence design compatible with the Historic District character.

Exempting, "privacy walls and fencing" from any design review requirements would have the potential to be detrimental to the historical character of the Historic District. Even attractively designed privacy walls or fencing could be substantially inconsistent with, and diminish the historical character of, the Historic District. The development of unregulated out-of-character walls and fences would have the potential to result in – in individual instances and cumulatively over time - a significant adverse impact on the historical character of the Historic District.

The City-adopted DDGs explain as pertains to "Fences, Landscape Features, and Play Equipment,"

> Besides safety, the City's purpose in regulating fences and landscape features is primarily to inform property owners of the impact such construction has on the historical and aesthetic character of a home or neighborhood and to seek voluntary support of the community goal of preserving and enhancing the character of the Historic District. Preference in any required review will be toward granting the property owner's request unless it is unsafe or the effect on the character of the Historic District would be notably deleterious. (DDGs section 4.04.)

Pertaining specifically to "Fences" the DDGs explain the City's 1998 affirmation that, "[f]ences are a significant contributing factor to a home's or neighborhood's character." (DDGs section 4.04.01.) Notwithstanding the documented importance of design review for walls and fences as expressed in the DDGs adopted by the City Council in 1998, during the Project review process, the City has yet to directly acknowledge the adverse effects that incompatible fence design could have on the historical quality and character of the Historic District.

When adopting the Project's list of "minor modifications" to be exempt from design review, the City included, "e. privacy walls and fencing, *excluding chain link, which is not allowed*."

If the City's position is that fence design does not have the potential to adversely affect the character of the Historic District, it is unclear why the City would attempt to *mitigate* the wall and fence exemption by including a prohibition of chain link fence. Moreover, the DDGs establish "appropriate" and "inappropriate" fence and wall/retaining wall types (DDGs, Appendix D, Attachment 2, "Building Materials Palette."). These lists in the City's adopted DDGs do not allow or prohibit particular fence or walls types and, instead, they provided guidance intended for consideration during the design review process. With elimination of design review for privacy walls and fences, the mechanism for the City's regulation of appropriate wall and fence types is eliminated.

The CDD has attempted to list "appropriate" and "inappropriate" fence types for the Historic District on the City's Historic District Resources website which identifies 12 types of fences as "Inappropriate" for the Historic District and lists 10 types of fence types as "Appropriate" with 3 of the "Appropriate" types noted as "Except for Historic Properties."

| **City of Folsom, Historic District Resources Website<br>List of *Appropriate* and *Inappropriate* Fence Types** | |
|---|---|
| **Appropriate Fence Types** | **Inappropriate Fence Types** |
| Wood Picket Fences | Chain Link |
| Vertical or Horizontal Board Fences<br>(Min. 30% opening, or Staggered Boards) | Chicken Wire |
| Classic Wire Mesh (3" x 6") | Barbed Wire |
| Solid Wood (Rear Yard Only) | Plywood |
| Brick and Mortar | Masonite |
| Stone and Mortar | Cedar Post and Rail |
| Treated Wood | Grape Stake |
| Cinderblock Wall<br>(Except for Historic Properties) | Split Rail |
| Railroad Tie Fencing<br>(Except for Historic Properties) | Cyclone |
| Poured or Finished Concrete Wall<br>(Except for Historic Properties) | Snow Fence |
| | Bamboo or Matting |
| | Plastic or Vinyl |
| **Source:** City of Folsom, Historic District Resources website, "Residential Fencing" dropdown at: https://www.folsom.ca.us/government/community-development/planning-services/historic-district-resources/ . June 9, 2026. | |

The staff reports prepared for the Project do not mention the DDGs Building Materials Palette lists for fences and walls/retaining walls nor do the staff reports explain why, with a dozen specific fence types considered "inappropriate" for the Historic District and an additional 3 types inappropriate for historic properties, only *chain link* fence warrants a prohibition in FMC 17.52 while design review of all privacy walls and fences is eliminated. Yet, with a dozen identified by CDD as "Inappropriate Fence Types," in adopting the Project amendments to FMC 17.52, staff and the City Council somehow determined that only chain link need to be prohibited.

Even were a prohibition on chain link fence sufficient to *mitigate* the impact of exempting privacy walls and fences from design review, such a mitigation would run afoul of CEQA case law establishing that,

> [r]eliance upon mitigation measures (whether included in the application or later adopted) involves an evaluative process of assessing those mitigation measures and weighing them against potential environmental impacts, and that process must be conducted under established CEQA standards and procedures for EIRs or negative declarations.

(*Salmon Protection and Watershed Network v. County of Marin* (2004) 125 Cal.App.4th 1098)

Thus, if the prohibition on chain link fence was necessary to *mitigate* the impacts of exempting fences from design review or if the City thinks the impact can mitigated by providing an advisory list of inappropriate fence types on its website, the Project is disqualified from any CEQA categorical exemption.

Given the Project's elimination of design review for all non-building structures, including but not limited to the express exemption from design review of fences and other structures having the potential for deleterious effects on the quality and character of the Historic District, the Project does not qualify for the CEQA Guidelines 15061(b)(3) exemption and no combination of additional CEQA exemptions or mitigation measures can intervein to exempt the Project from CEQA review.

### *3.2 The Project does Not Qualify for a Ministerial Exemption*

The staff report quotes CEQA Guidelines § 15268(a) stating, "Ministerial projects are exempt from the requirements of CEQA" and the staff report then argues that "the solar panel exemption from design review is ministerial and exempt from the requirements of CEQA," that "the design review exemption for certain ADUs [accessory dwelling units] is ministerial and exempt from the requirements of CEQA," and that, "to the extent that a building permit is required for installation of a fence or any of the other minor modifications exempt from design review under FMC Section 17.52.300(C)(1), such approvals are ministerial in nature and as such are exempt from the requirements of CEQA." (HDC 6/24/26 pkt. p. 14.)

In making these arguments the staff report confuses potential future activities and actions with the current Project. The Project involves a *discretionary* action by the City which is the amendment of FMC Chapter 17.52. The Project is not approval of a solar facility, nor approval of an ADU, nor the issuance of a building permit for installation of a fence or other structure. That future activities or projects may or may not be limited to ministerial decision-making at such time as each is proposed is irrelevant to assessing whether the Project qualifies for a ministerial project exemption.

Moreover, even if there were some element of ministerial decision-making involved in the Project, CEQA Guidelines § 15268, "Ministerial Projects," at subd. (d) definitely establishes,

(d) Where a project involves an approval that contains elements of *both* a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA.

Although state law may limit or preclude the City from performing discretionary design review of certain future development projects or other activities, the Ministerial Projects exemption is unavailable to the Project.

### *3.3 The Project does Not Qualify for a Class 1 Categorical Exemption*

The staff report discusses the Class 1 Categorical Exemption of CEQA Guidelines 15301, describing that, "[u]nder Section 15301 of the CEQA Guidelines, the Class 1 exemption "consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use," and argues that, " [t]his proposed ordinance's exemption for very small projects falls under this Class 1 CEQA exemption." (HDC 6/24/26 pkt. p. 15.)

In making this argument the staff report confuses potential future approvals for some unidentified existing facility with the current Project. The Project is the amendment of FMC 17.52. The Project does not involve an approval associated with an existing facility and the Class 1, "Existing Facilities," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of existing facilities in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 1 exemption. However, whether such projects may or may not qualify for the Class 1 exemption is a matter to be determined when such a project is proposed and, at that time, will require assessment of the particular factors of the project. Moreover, as part of that assessment, the City needs to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 1 exemption, and such an assessment cannot be performed until a potentially eligible Class 1 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or modified structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performing design review for a particular new or modified structure in the Historic District is a key step that often enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.4 The Project does Not Qualify for a Class 3 Categorical Exemption*

The staff report discusses the Class 3 Categorical Exemption of CEQA Guidelines 15303, describing that, "[u]nder section 15303 of the CEQA Guidelines, projects consisting of "construction and location of limited numbers of new, small facilities or structures;

installation of small new equipment and facilities in small structures…", and argues that, "the ordinance amendment's exemption of fences, hot tubs, outdoor kitchens, and patios qualify for the Class 3 Categorical Exemption under CEQA, in addition to the Common Sense exemption." (HDC 6/24/26 pkt. p. 15.)

In making this argument the staff report confuses potential future approvals for some unidentified new construction or conversion of a small structure with the current Project. The Project is the amendment of FMC 17.52. The Project does not involve an approval associated with a new or proposed conversion of a small structure, thus, the Class 3, "New Construction or Conversion of Small Structures," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of small structures in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 3 exemption. However, whether such projects may or may not qualify for the Class 3 exemption is a matter to be determined when such a project is proposed and requires assessment of the particular factors of the project. Moreover, as part of that assessment, the City would need to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 3 exemption, an assessment that cannot be performed until a potentially eligible Class 3 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or converted small structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performance of design review for a particular new or modified structure in the Historic District is a key factor that then enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.5 The Question of Exceptions to Categorical Exemptions is Moot and Staff's Conclusion is Not Supported by Substantial Evidence*

The staff report asks the HDC to recommend that the City Council find, among other things, that none of the CEQA Guidelines 15300.2 *exceptions* to categorical exemptions apply. However, neither the Class 1 nor the Class 3 categorical exemptions identified in the staff report can be applied to the Project for reasons explained above, and the question of whether any exceptions to the exemptions is therefore moot. Nevertheless, additional discussion is provided here in response to the staff report.

#### *3.5.1 Unusual Circumstances*

CEQA Guidelines §15300.2(c) provides, "A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances." CEQA does not define the term "unusual circumstances," but case law has held that an *unusual circumstance* refers to

"some feature of the project that distinguishes it" from others in the exempt class. (*Fairbank v. City of Mill Valley*, (1999) 75 Cal. App. 4th 1243, 1259.)

The staff report states that "the ordinance amendments do not involve any unusual circumstances, because creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government, and as explained above, these changes will not have any significant effects on the environment." (HDC 6/24/26 pkt. p. 16.) This discussion in the staff report further emphasizes the fact that the Project does not fit within either the Class 1 or Class 3 exemption.

The staff report's statement that "creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government" may be accurate but has nothing to do with a comparison of the Project to the circumstances of a typical Class 1 or Class 3 project. In fact, the Project's circumstances are inherently *unusual* as judged relative to the typical circumstances of projects fitting either the Class 1 or Class 3 exemption, because the Project is an amendment to a zoning ordinance applicable to the entirety of Folsom Historic District.

If the unusual circumstances tail needs to be chased even further, then it is also worth noting that Project's unusual circumstance as compared to Class 1 and Class 3 projects does create the potential for significant impacts that would not be typical of the types of impacts associated with a Class 1 or Class 3 project, because the Project involves amendment of a zoning code regulating development and demolitions in a Historic District whereas the typical Class 1 and Class 3 project does not create or amend a zoning ordinance pertaining to a historic district.

Thus, even if through some abstract theory the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the unusual circumstances exception whereby the Project's unusual circumstance do result in the Project having the potential to result in adverse effects on the character of the Historic District by relaxing or eliminating design review requirements creating the potential for adverse impacts as discussed in this letter.

### *3.5.2 Historical Resources and Cumulative Impacts*

CEQA Guidelines §15300.2(f) provides, "Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource." Regarding the CEQA Guidelines § 15300.2(f) historical resources exception to the exemption, in *Hillside* the Supreme Court cited *Valley Advocates v. City of Fresno* (2008) 160 Cal.App.4th 1039 affirming the holding that once a resource is recognized as historic, "the fair argument standard applies to the question of whether the proposed project 'may cause a substantial adverse change in the significance of an historical resource' and thereby have a significant effect on the environment." (*Hillside*, supra, 60 Cal.4th at 1117.)

The staff report states that, "[t]he ordinance amendments would not result in any significant cumulative environmental impact, because there is no substantial evidence in the City's record demonstrating that the amendments would result in any significant increase in impacts in the Historic District by virtue of just changing the design review process, which still protects listed and potentially eligible historic resources."

The staff report's assertions fail to recognize the Project provisions that eliminate design review of non-building structures and eliminate design review of privacy walls and

fences, both of which if unregulated pose the potential to result in a substantial adverse change in the significance of individual historic resources within the Historic District and the overall quality and character of the Historic District. Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the historical resources exception.

CEQA Guidelines 15300.2(b) provides, "Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant."

Although the staff report asserts that the project would not result in any significant cumulative environmental impact, such a notion fails to recognize the breadth of the Project and the staff report's discussion does not provide any basis for cumulative circumstances that were considered in making its conclusion.

The Project amendments to FMC 17.52 alter and reduce the design review and other roles of the HDC, eliminate design review provisions for all non-building structures, and expressly exempt certain features from any design review. FMC 17.52 applies to the 98-block of Folsom's Historic District that contains federal, state, and locally recognized historic resources and properties, commercial areas with high tourism, recreational and cultural resources access, and the Historic District is a locally important historical resource. Elimination of design review provisions for all types of non-building structures that might be developed throughout the Historic District has the potential to result in significant adverse cumulative impacts when the Project (amendments to FMC 17.52) is considered in combination with future development within the Historic District.

Moreover, as discussed throughout the staff report, there are several types of individual future projects that may be developed in the Historic District – such as solar facilities, ADUs, multi-family housing – that will be exempt from CEQA and may also be exempt from design review whether by state law or by the City's own doing. Any consideration of cumulative effects of FMC 17.52 amendments must account for the potential for such developments to occur without design review and reflect the expanded importance of design review.

Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the cumulative impacts exception and the City has provided no meaningful evidence or assessment of these potential cumulative impacts.

### *3.6 Public Resources Code section 21080.35 Exemption*

The staff report states that, "[t]he ordinance amendments are statutorily exempt from CEQA review under Public Resources Code section 21080.35, which states in pertinent part that CEQA '...does not apply to the installation of a solar energy system on the roof of an existing building or at an existing parking lot.'" … "To the extent the ordinance amendments apply to solar panels on the roof of an existing building or at an existing parking lot, they are exempt from CEQA under this statute. Staff has not seen and does not anticipate receiving applications for the installation of solar panels on property within the Historic District that include a proposal to install solar panels anywhere other than the roof of an existing building or at an existing parking lot." (HDC 6/24/26 pkt. p. 16.)

The Project does not involve development or approval of a solar energy system and this statutory exemption is inapplicable as an exemption for the Project.

**4. Readopting Amendments to Chapter 17.52 will Restart a 90-Day Statute of Limitations for a Challenge of Provisions that Purport to Give Final Approval Decision to the HDC in Conflict with the City Charter**

When the City Council adopted the FMC 17.52 amendments on October 28, 2025, a final ruling was pending in a separate matter, *Delp v. City of Folsom, et al*. (Superior Court of California, County of Sacramento, Case No. 23WM000125) involving two causes of action, the second of which involved Delp's request for declaratory relief pertaining to Folsom City Charter Section 4.07's limitation on the authority of the Historic District Commission as pertains to the 603 Sutter Street Mixed-Use project that was subject to that litigation. On October 31, 2025, the Court issued its final ruling. With regard to the HDC approval authority, as pertains to the 603 Sutter Street project design review, the Court found that the City's interpretation of Charter Section 4.07 was "entirely unreasonable," and that,

> As the plain language of Section 4.07 provides, the City's authority to prescribe the "powers and duties" of other boards and commissions, like the Historic District Commission, is limited by the provision that "All boards and commissions only shall be advisory to the Council."

and that,

> the City exceeded the limitations of its Charter to the degree it authorized the Historic District Commission to exercise final approval authority over the Project. The FMC purports to grant the Historic District Commission "final authority relating to the design and architecture" of "[a]ll new office, industrial, commercial and residential structures," which includes the Project. (Pet. RJN Exh. C [RJN000060, FMC § 17.52.300.) The FMC also purports to authorize the Historic District Commission to carry out the City's CEQA compliance with regard to the Project, directing that the Commission "shall not approve applications prior to considering the applicable environmental document and complying with the requirements of CEQA[.]" (Id. at RJN000062, FMC § 17.52.390.) Approvals by the Historic District Commission may be appealed to the City Council, as the Project was here, but the Council is not required to review them. (Id. at RJN000083-83, FMC §§ 17.52.700-720.) These provisions purport to vest the Historic District Commission with the power to act on behalf of the City, without oversight or ratification by the City Council. They therefore cannot be squared with the Charter's limitation that the Commission's power is "only advisory." The City offers no authority or argument that the Historic District Commission acted in an "advisory" capacity when it approved the Project at issue here. **Thus, the provisions of the FMC which purport to delegate final approval authority to the Historic District Commission, as applied to the Project, conflict with the City Charter**.

(Superior Court of California, County of Sacramento, Case No. 23WM000125; *Final Ruling on Submitted Matter*, October 31, 2025. Emphasis added.)

In my comments to the City Council on October 14, 2025, (6/24/26 HDC pkt. pp. 119-124), I urged the Council to recognize that, "any revisions to FMC 17.52 that modify or expand the purported final authority of the HDC would exacerbate the existing FMC 17.52 conflict with City Charter section 4.07," noting the proposed amendments to 17.52.360 expanding the HDC's final authority role to include "expiration and extension of [conditional use] permits," FMC 17.52.370 expanding the HDC's final authority role to include "expiration and extension of

[variance] requests," and expanding the HDC's final authority role in acting as the appeal hearing body pursuant to FMC 17.52.700 for the proposed new design review authority of the CDD Director established by FMC 17.52.300(B).

Although a 90-day statute of limitations to challenge the expanded HDC final authority of the amendments adopted by the Council on October 28, 2025, has expired, and the ruling in Case #23WM000125 pertained to that particular project, any re-adoption of amendments to FMC 17.52 that involve a modification or expansion of HDC authority that cannot be squared with the Charter's limitation that the HDC's power is only advisory may be subject to legal challenge for a 90-day period pursuant to Gov. Code, § 65009, subd. (c)(1). I expect that the Project amendments could be *rescinded* to restore FMC 17.52 to its pre-2026 language without subjecting the code to potential challenge under Gov. Code, § 65009, subd. (c)(1).

Any amendments to FMC 17.52 should include changes to ensure that the roles allocated to the HDC are in accordance with the limitations imposed by Charter Section 4.07. Alternatively, the city should consider amending the FMC 17.52 appeal procedures in a manner to alleviate the issues associated with granting final authority to the HDC.

Given that the City Council is presently pursuing a ballot measure attempting to modify Charter Section 4.07, the outcome of which will be known in November of this year, it would seem prudent for the City to rescind Ord. 1353 and reinstall the pre-2026 FMC 17.52 until such time as the Council either abandons the ballot measure or until the election determines whether the Charter will be amended by the voters and what amendments to FMC 17.52 may or may not be then warranted.

**5. Conclusion**

I encourage the HDC to recommend that the City Council rescind Ord. 1353, restore FMC 17.52 to its prior content.

Thank you for considering my comments.

Sincerely,

Bob Delp
Historic District - Folsom, CA 95630 - bdelp@live.com - 916-812-8122

June 22, 2026

Folsom Historic District Commission
City of Folsom
50 Natoma Street
Folsom, CA 95630
Sent via email to pjohns@folsom.ca.us; dparrington@folsom.ca.us; jkinkade@folsom.ca.us; sdierking@folsom.ca.us

The Heritage Preservation League (HPL) requests that the ordinance be revised, not re-adopted. Parts of the ordinance are much needed, delegation of sign approval, for example. However, HPL continues to object to provisions which remove existing protections for historic and contributing sites. We believe these to be unintended consequences that can be corrected. While the goal of efficiency is desirable, the ordinance allows for decisions to be made which are not in keeping with the City goals stated in the General Plan and the Folsom Municipal Code. There are major and minor issues with the ordinance and with the CEQA arguments in the staff report. The discussion below of major concerns with the ordinance provides amplification for the CEQA concerns.

The major concerns with the CEQA arguments are:

HPL's concerns are focused on design, with no objections now which relate to our minor concerns or to exemptions for projects beyond the City's control or for provisions relating to uses.

The CEQA arguments are premised on the concept that "changing which body (HDC or staff) will process the minor approvals covered under the proposed amendments does not have the potential to cause a physical change in the environment directly or indirectly." For this premise to be true, there needs to be equivalent expertise in both bodies. Historic District Commissioners are appointed based on their individual expertise, with the aggregate bringing a high level of expertise to the Commission as a whole. In contrast, there is no requirement that the Community Development Director have any level of historic preservation/architectural expertise, nor that any staff have expertise to advise the Director's decisions. Such expertise is not a requirement of a city planner degree. It goes without saying that decisions made outside one's field of expertise have the potential for adverse physical effects.

Common Sense Exemption

As quoted in the staff report, the CEQA Guidelines exempt activities "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." Unless the ordinance is revised, implementation may have a significant effect on the environment. Specifically, 1) The lack of requirement in the ordinance that the Community Development Director's decisions be informed by historic preservation expertise has potential to adversely affect cultural resources, as noted above. 2) Only design review of buildings is provided, which means that new non-conforming structures that are not buildings can be constructed without review and existing historic structures that are not buildings can be modified or demolished without review. Non-buildings include some of the most historic features of the Historic District, for example, historic cemeteries (some of which, not all, are on the Cultural Resource Inventory) and remnants of railroad, gold mining, Chinese, and native people's activities. 3) The "small" projects exempted by the ordinance are not necessarily "minimal and aesthetically similar to the original" as the staff report asserts. For example, exempting projects "outside of the front and street side yards" means that installations of

noticeably modern design can significantly affect cultural resources in the vicinity. The staff report argues that such exempt projects are not visible from the street, but there is no requirement for screening from view. There are other examples.

Ministerial Exemption.
As quoted in the staff report, the CEQA guidelines exempt "…governmental decision[s] involving little or no personal judgment by the public official as to the wisdom or manner of carrying out the project. The public official merely applies the law to the facts as presented but uses no special discretion or judgment in reaching a decision." The ordinance charges the Community Development Director with decisions on whether a project is historic or potentially historic without sufficient "law" to apply. If a project is listed on a state or national register or is listed on the City's Cultural Resource Inventory or is listed in the City's Historic Preservation Master Plan (HPMP), the Director's decision to refer the project to the Historic District Commission is clearly ministerial. It would also be a ministerial decision then to conclude that projects not so listed are not historic or potentially historic. However, the great majority of buildings and structures in Historic Folsom have not been professionally evaluated for historicity, for whether they are contributing to the goals of the District. Absent such listing, per the ordinance the Director's decision then is to be based on methodology in the CEQA Guidelines or in the HPMP as to whether a project is a historic or potentially historic resource. The methodologies in both are intended only to provide information to guide legislative decisions, not ministerial staff decisions. See further discussion below.

Exceptions to Categorical Exemptions
The staff report asserts, "None of the exceptions apply. The ordinance amendments would not result in any significant cumulative environmental impact because there is no substantial evidence in the City's record demonstrating that the amendments would result in any significant increase in impacts in the Historic District by virtue of just changing the design review process, which still protects listed and potentially eligible historic resources." As explained above, changing the design review process without providing equivalent expertise has the potential to negatively impact cultural resources.

Further, the fact cited by staff, that the entire Historic District has not been "listed," does not mean that it should not be so viewed. The General Plan and the Zoning Code both recognize that the entire small town within the larger modern town is a valuable cultural resource to be protected. As usual, Folsom was ahead of the curve, recognizing that not only buildings or small groupings of buildings are historically significant but that the urban form of development prior to World War II is as important a communicator of the past as any building within it. Small-town America is homogenizing, and authentic small towns of Historic Folsom's era are increasingly rare. The cumulative effect of individual decisions regarding buildings and structures in the Historic District will either maintain the historic small town envisioned in the General Plan and Zoning Code or will incrementally result in a non-historic small town.

The major concerns with the ordinance are:

Review of structures has been removed, meaning that there is no provision for review of projects affecting historic structures, only buildings, and there is no provision that new structures be built in accordance with historic design. For example, unprotected structures would include the cemeteries not yet listed and the extant remnants of railroad, gold mining, Chinese and native people's history. The ordinance conflicts with Section 17.52.120 of the Folsom Municipal Code (FMC) without amending it.

RECOMMENDATION: restore the word “structure” in all instances where “building” is identified for review or demolition.

There is no requirement that there be historic preservation/architectural expertise among City staff to advise the Community Development Director’s opinions regarding a site’s historic/contributing status nor its environmental review and regarding whether staff or Historic District Commission (HDC) is the appropriate hearing body. Training in historic preservation is not a requirement for an urban planning degree.

RECOMMENDATION: add provision that in any instance where qualified professional advice to the Community Development Director is not available, applications will be heard by the Historic District Commission. Qualified professional advice should be at least equal to the aggregate of qualifications required for appointment to the Historic District Commission. Application materials for review or demolition need to include the applicant’s good-faith effort to provide information on the topic areas cited on the first two pages of Appendix A of the HPMP.

An unintended consequence is that strict reading of the ordinance would limit review by the Historic District Commission to listed buildings, for practical reasons. Otherwise the Commission or its staff would be required to gather extensive information required under the CEQA Guidelines and HPMP. Strict reading would also put the Director in the role of the legislative body in certain circumstances while requiring that the same level of information be gathered on which to base decisions. FMC17.52.300(A)2 of the ordinance, in practical terms, adds new limits on what projects are subject to design review by the HDC, in contrast to the charge to the HDC in FMC17.52.120. The ordinance cites only the two adopted lists and two guidelines provisions as criteria for decisions. In effect the ordinance restricts HDC review to only projects affecting buildings on an adopted list, because the staff work required to use the CEQA Guidelines and HPMP to identify whether other sites are historic is extensive. What then does the ordinance protect? Only a few of the many buildings and structures in the Historic District have been evaluated by qualified professionals in accordance with provisions of the HPMP and have thus been approved by the Commission to be listed on the City’s Cultural Resource Inventory (in accordance with requirements of the adopted Historic Preservation Master Plan (HPMP). The HPMP itself contains the second list the ordinance references, the Preliminary Cultural Resources Inventory. It was created by the citizen committee that prepared and recommended the HPMP to the City Council; committee members were appointed based on their individual qualification by reason of longtime involvement in particular aspects of preservation of Folsom’s history (HPMP, p. 2). Besides the two lists, the other two criteria cited for Historic District Commission and Community Development Director review guidance are the California Environmental Quality Act (CEQA) Guidelines and the HPMP’s City of Folsom Cultural Resources Inventory Registration Form, which is modeled on the form for the National Register of Historic Places. Each of these two citations defines only a process, a lengthy process as noted above, which is intended to provide decision makers, not staff, with information on which to base their decisions.

Consider the purpose and authority of the two guidelines cited. The CEQA Guidelines section cited provides the process to guide determination of whether a project will have a significant effect on a historic resource, for purposes of environmental review. The same process is used to determine whether a project will be listed on the California Register. Staff has a role in giving an opinion, usually based on the opinions of experts, but it is ultimately up to the legislative body to endorse or decline any recommendations or conclusions regarding whether the project will affect a historic resource. Similarly, per the HPMP and the City’s past practices, the Historic District Commission determines a site’s eligibility for the Cultural Resource Inventory. Staff’s

role is to submit information on which the Commission will base the decision. Neither the process of the CEQA Guidelines nor the process of the HPMP can be carried out in a manner that achieves the efficiency goal of the ordinance. For example, adding the Granite School to the California Register took a year to prepare the submittal. Adding Folsom Prison to the City's Cultural Resource Inventory also took a year.

Given Folsom's history and how few sites are on either list, it is likely that there are other sites that should be listed. For example, the Orangevale Avenue Bridge was not on either list until the omission was called to the City's attention by HPL and the Lincoln Highway Association in connection with a public works project; it was ultimately placed on the Cultural Resource Inventory through the process defined in the HPMP.

However, there is no process for adding sites to the other list, the Preliminary Cultural Resource Inventory of the HPMP, an appropriate means to create such a process. The General Plan calls for updating the HPMP, but it is currently not scheduled.

RECOMMENDATION: Either have all buildings/structures in the Historic District evaluated by qualified historic professionals before delegating any approvals to the Community Development Director

OR

Acknowledge that all buildings and structures in the Historic District are potentially historic/contributing and thus ineligible for delegation of approval of changes AND give the Community Development Director full authority to evaluate whether a proposed project maintains the structure's original or existing style (Design and Development Guidelines Goal 1, Policy 1.2; Goal 2, Policy 2.30). This avenue may delay full realization of the General Plan and zoning goals, but it avoids requiring extensive staff time to gather information required under the CEQA Guidelines and the HPMP in order for the Commission to exercise its role in determining historic significance. Applicants can be assured of a quick approval by submitting designs that continue the structure's style. If they wish to support the City's goals by bringing the structure into compliance with historic design, they can choose to go to the Historic District Commission.

<u>Demolition provisions would allow demolition of historic/contributing, and potentially historic/contributing, buildings and structures.</u> FMC17.52.660 protects only buildings and introduces a new standard for exempting demolition from review: whether the building was originally constructed at least 50 years before application for demolition. Age should not be the only determinant if the General Plan and zoning goals are to be met. Proper determination of historicity depends on consideration by qualified persons of all the topic areas in the CEQA Guidelines and the HPMP. There are buildings which have been modified and constructed since 1998 (when the Historic District regulations were adopted) or 1988 (when the General Plan defining the Historic District boundary was adopted) which have been built in accordance with historic standards and/or approved by the Historic District Commission. AllowingE such buildings to be demolished without review undermines public support for historic regulation as a whole. It's unlikely that owners would demolish a building they constructed, but a subsequent owner might want something different. That could be sufficient reason for allowing demolition but not until justification of the demolition is explained at a hearing.

RECOMMENDATION: Require all proposed demolition to provide justification at a hearing before the Historic District Commission or the Community Development Director

Exemption provisions allow non-historic structures to be built in public view. As cited above, the ordinance's approach of citing project types that can be built without an approval leaves open the possibility of non-conforming structures visible to the public with no avenue for requiring them to be brought into compliance.

RECOMMENDATION: Instead of a list of projects, use a performance standard, stating to the effect that all small projects are exempt if they are constructed in accordance with defined architectural styles or are adequately screened from public view.

July 10, 2026
City of Folsom City Council
50 Natoma Street,
Folsom, CA 95630
via email to: cfreemantle@folsom.ca.us for distribution to City Council

**SUBJECT: Comments to City Council re: July 14, 2026, Agenda Item No. 18 – Ord. No. 1353 Amending FMC Chapter 17.52 – Failure to Comply with FMC Amendment Process**

Dear City Councilmembers:

This letter is to express my objection to the City Council's consideration of readopting amendments to Folsom Municipal Code (FMC) Chapter 17.52 in a manner that does not comply with the process for zoning code amendments prescribed by FMC Chapter 17.68.

FMC Chapter 17.68, "Amendments," sets forth the required procedures for amending FMC Title 17, "Zoning." Pursuant to FMC 17.68.030, the Planning Commission is to hold a public hearing on any proposed amendments to Title 17. Then, pursuant to FMC 17.68.040, following the hearing "**the planning commission shall submit a report of its findings and a summary of hearings, together with its recommendations with respect to the proposed amendment to the city council.**" Then, pursuant to FMC 17.68.050, "**upon receipt of such report from the planning commission**, the city council shall set the matter for public hearing" at which "the city council may adopt the proposed amendment or any part thereof."

The City's process for FMC 17.52 amendments in October 2025 did not comply with the requisite FMC 17.68 procedures. The Planning Commission held no hearing on the proposed amendments and the Planning Commission provided no report or recommendation regarding the amendments to the City Council.

Continuing with disregard for FMC 17.68 procedures, the staff report for 7/14/2026 agenda item 18 makes no mention of the FMC 17.68 amendment procedures and does not include or reference a report from the Planning Commission – in fact, by all appearances, no such report has been prepared. Exacerbating the problematic absence of the required Planning Commission report, the staff report mischaracterizes the recommendation passed on motion by the Planning Commission on 6/17/2026. Contrary to the statement in the staff report that the Planning Commission "recommended that the City Council *consider instructing staff to re-consider*...excluding all fence types," the Planning Commission's motion recommended that "**the City Council reconsider**" the privacy wall/fence exemption. This was a Planning Commission recommendation for reconsideration directly by the City Council prior to making a decision on readopting the amendments, not a recommendation for the Council to instruct staff to reconsider.

In adopting amendments to FMC 17.52 in 2025 the City did not follow the required process and now, in considering readoption and potential modifications, the City is still disregarding the procedures set forth in FMC 17.68. The lack of a Planning Commission report as required by FMC 17.68.040 and the staff report's mischaracterization of the Planning Commission's recommendation taints the information provided for consideration by the City Council and fails to comply with FMC 17.68. Any action by the City Council to readopt amendments to FMC 17.52 must be taken in compliance with the process prescribed by FMC 17.68.

Thank you for considering my comments.

Sincerely,

Bob Delp - Historic District Resident - Folsom, CA 95630 - bdelp@live.com - 916-812-8122

July 13, 2026
City of Folsom City Council
50 Natoma Street, Folsom, CA 95630
via email to: cfreemantle@folsom.ca.us for distribution to City Council

**SUBJECT: Comments to City Council re: July 14, 2026, Agenda Item No. 18 – Ord. No. 1353 Amending FMC Chapter 17.52 – Recommended FMC 17.52.300 Revisions**

Dear City Councilmembers:

I am the Petitioner in Superior Court of the State of California, County of Sacramento, Case No. 26WM000118 that pertains to the City Council's October 28, 2025, approval of the Folsom Municipal Code Chapter 17.52 ("FMC 17.52") amendments that are the subject of the Council's agenda item 18. However, I am providing these comments as a citizen of Folsom and a resident and property owner in the Historic District interested in the protection, preservation, and enhancement of the Historic District's character and quality.

Attachment 1 of this letter provides suggested revisions to the FMC 17.52 amendments adopted by the Council in October 2025. As shown, my suggested revisions are limited to section 17.52.300. Margin notes in Attachment 1 provide a brief rationale for each of the suggested revisions.

The October 2025 amendments eliminated design review of all *structures* that do not meet the definition of *building*.[1] The revisions suggested in Attachment 1 reflect minor text changes but important adjustments to FMC 17.52.300 that would restore design review provisions for non-building structures, including walls and fences consistent with the Planning Commission's June 17, 2026, recommendation. These suggested revisions restore important protections for the character and quality of the Historic District.

The October 2025 amendments made substantial changes throughout FMC 17.52; among other things, shifting much of the design review role to the Director of the Community Development Department ("CDD"). Although I and others have expressed concerns about that shift, the revisions suggested in Attachment 1 retain the City's intent to allow for the CDD Director to perform design review.

I am opposed to the City Council's *readoption* of the October 2025 amendments to FMC 17.52 and neither the Council's decision to adopt the amendments last October nor the currently recommended readoption qualify as exempt from the California Environmental Quality Act ("CEQA").[2] Thus, I urge the Council to consider the FMC 17.52.300 revisions recommended in Attachment 1 and suggest that the revisions would likely alleviate much of the concerns related to impacts that the October 2025 amendments would have on the character and quality of the Historic District.

Thank you for considering my comments.

Sincerely,

Bob Delp - Historic District Resident - Folsom, CA 95630 - bdelp@live.com - 916-812-8122

Attachment 1: 17.52.300 Amendment Concept Recommended by Bob Delp 7/13/2026

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[1] Per FMC 17.02.090, *"Building" means any structure having a roof supported by columns and/or by walls and intended for the housing or shelter of any person, animal or chattel*. Per FMC 17.02.400 *"Structure" means anything constructed or erected upon the ground or attached to a structure having location on the ground*.
[2] See 7/14/2026 Staff Report Att. 3, Bob Delp June 22, 2026, letter to HDC, incorporated here by this reference.

**Attachment 1**

17.52.300 Amendment Concept Recommended by Bob Delp 7/13/2026

**17.52.300 Amendment Concept Recommended by Bob Delp 7/13/2026**

Black text is section 17.52.300 as amended by the Council's October 2025 approval. The underline/strikethrough changes shown in red are recommended additions/deletions that would serve to restore design review for non-building structures and other provisions as explained in margin comments.

**17.52.300 Design review.**

A. Except as otherwise provided in subsection B of this section, the design and architecture of the following projects shall be submitted to the historic district commission for review and approval under the provisions of this chapter:

1. All new office, industrial, commercial and residential buildings, excluding accessory buildings as defined in Section 17.02.020 and accessory dwelling units as regulated by subsection D of this section;

2. All exterior renovation, remodeling, modification or addition to existing buildings located on properties listed in the city's cultural resources inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines Section 15064.5 or the adopted city of Folsom historic preservation master plan;

3. All additions to existing buildings over twenty-five percent of the total square footage of the existing building or over five hundred square feet, whichever is less, except additions to accessory buildings, as regulated by subsection (B)(3) of this section and additions to accessory dwelling units as regulated by subsection D of this section;

4. Projects which are part of a planned development or a tentative map;

5. Proposed project design guidelines and standards and revisions to existing design guidelines and standards.

B. The design and architecture of the following projects shall be submitted to the community development director for review and approval under the provisions of this chapter:

1. All exterior renovation, remodeling, or modification to existing buildings, except those exempted under subsection C of this section, and those regulated under subsection (A)(2) of this section;

2. All additions to existing buildings under twenty-five percent of the total square footage of the existing building or under five hundred square feet, whichever is less, except additions to accessory buildings, as regulated by subsection (B)(3) of this section and additions to accessory dwelling units, as regulated by subsection D of this section;

3. All new accessory buildings, including but not limited to garages and sheds, and any addition to such buildings, except those regulated under subsections (A)(2) and (D)(1) of this section.

**17.52.300 Amendment Concept Recommended by Bob Delp 7/13/2026**

Black text is section 17.52.300 as amended by the Council's October 2025 approval. The underline/strikethrough changes shown in red are recommended additions/deletions that would serve to restore design review for non-building structures and other provisions as explained in margin comments.

~~4.~~ All new structures and all modifications to existing structures for which design and architectural review is not otherwise provided in subsection (A) or subsections (B)(1) through (B)(3) of this subsection, excepting those structures exempt from design review pursuant to subsection (C) of this section.

C. The following types of projects are exempt from the design review process under this chapter:

1. Minor modifications including:

a. In-kind ~~R~~replacement of existing building and roof materials ~~with similar materials~~;

b. In-kind ~~R~~replacement of existing windows and doors ~~with similar windows and doors~~;

c. Changes to exterior colors on residential buildings;

d. Patio covers, gazebos, pergolas and trellises under two hundred square feet in size and located outside of the front, side, and street side yards;

~~e. Privacy walls and fencing, excluding chain link, which is not allowed;~~

~~f~~e. Aboveground spas and hot tubs located outside of the front and street side yards;

~~g~~f. Solar panels;

~~h~~g. Outdoor cooking facilities located outside of the front and street side yards; and

~~i~~h. Other projects that the director through written authorization deems similar in material, design, and scope to those listed, except projects involving buildings or properties on the city's cultural resources inventory or located on an existing or potentially eligible historic resource, as defined by the California Environmental Quality Act Guidelines Section 15064.5 or the adopted city of Folsom historic preservation master plan, which are subject to historic district commission approval.

D. Final approval authority relating to the design and architecture of accessory dwelling units and additions to such buildings within the historic district boundaries shall be as follows:

**Commented [BD1]:** This addition ensures that non-building structures that are not otherwise exempt (at "C" below) will be subject to design review, but allows that all such non-building structures may be reviewed by the CDD Director and does not require review by HDC.

**Commented [BD2]:** The change to "in-kind" here and below is intended to reduce subjectivity associated with interpreting "similar" and reduce the potential for replacements to substantially differ from the original material. On 7/2/2026, CDD Planner Stroud advised HFRA that a re-roofing permit was erroneously issued in March 2026 for a building at 512 Natoma St and that, had CDD staff reviewed the project, CDD would not have allowed black comp shingles and would have required replacement with red Spanish tiles consistent with the Spanish eclectic style of the roofing materials being replaced. Although the term "in-kind replacement" may not fully protect such erroneous building permit issuances, the term provides for more restrictive interpretation than "similar" and offers reduce potential for misinterpretation.

**Commented [BD3]:** Deletion of this provision reflects the Planning Commission's recommendation and corrects an obvious inconsistency between this category of "minor modifications" and walls/fences that can be 100s of feet in length at any given property. Note that item "h" (as renumbered below) allows the director to deem individual projects exempt; therefore, individual walls/fencing projects could still be deemed exempt from design review by the director but without the unlimited exemption that would exist if walls/fences are retained on the exempt list.

**Commented [BD4]:** Documentation of any CDD Director project-specific exemption is needed both for the City/public record and as evidence of the exemption for the person/property owner obtaining the project-specific exemption.

**17.52.300 Amendment Concept Recommended by Bob Delp 7/13/2026**

Black text is section 17.52.300 as amended by the Council's October 2025 approval. The underline/strikethrough changes shown in red are recommended additions/deletions that would serve to restore design review for non-building structures and other provisions as explained in margin comments.

1. The historic district commission shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on height, and any new garage or other attached conditioned or unconditioned space proposed along with such an accessory dwelling unit.

2. The historic district commission shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on height.

3. The community development director shall have final approval authority relating to the design and architecture of proposed attached or detached accessory dwelling units not exempt from design review by California Government Code Section 66321 based on square footage, and any other attached space proposed along with such an accessory dwelling unit.

4. The community development director shall have final approval authority relating to the design and architecture of proposed additions to existing accessory dwelling units that result in the unit no longer being exempt from design review by California Government Code Section 66321 based on square footage. (Ord. 1353 § 3, 2025; Ord. 890 § 2 (part), 1998)

Bob Delp – July 14, 2026

City of Folsom City Council
50 Natoma Street
Folsom, CA 95630
via email to: cfreemantle@folsom.ca.us for distribution to City Council

**SUBJECT: Comments to City Council re: July 14, 2026, Agenda Item No. 18 – Ord. No. 1353 Amending FMC Chapter 17.52 – Non-Compliance with CEQA and City Charter**

To Folsom City Council:

I am the Petitioner in Superior Court of the State of California, County of Sacramento, Case No. 26WM000118 that, as discussed further in section 3 of this letter, pertains to the City Council's October 28, 2025, approval of the Folsom Municipal Code Chapter 17.52 ("FMC 17.52") amendments ("Project") the readoption of which is the subject of this City Council agenda item. However, I am providing these comments as a citizen of Folsom and a resident and property owner in the Historic District interested in the protection, preservation, and enhancement of the Historic District's character and quality. I am opposed to the City's readoption of Ord. No. 1353 and its amendments to FMC 17.52. Such a decision is a "project" under the California Environmental Quality Act ("CEQA") and the Project does not qualify for one or any combination of CEQA exemptions.

The obvious catalyst for the Council's consideration of readopting the FMC 17.52 amendments is that the City decided to attempt to bolster its arguments for why the Project is not subject to the CEQA. As explained further in this letter, even with that intended purpose, your staff report's arguments to excuse the Project from CEQA review fail. Most obviously absent is any discussion the Project's elimination of design review for all *structures* that do not meet the definition of *building*. Staff's "Environmental Review" discussion (CC 7/14/26 pkt. pgs. 268-271) fail to address this significant aspect of the Project. Staff's discussion clings to the faulty notion that the Project is limited to procedures and administration and exempts from design review only "very small projects." Yet, for the readoption to serve its purpose of proving a basis for exempting the Project from CEQA review, the City must demonstrate that it has considered the whole of the Project – including the fact that the Project changes to FMC section 17.52.300 eliminate a design review process for *all* non-building structures. As further explained in this letter, elimination of design review of privacy walls, fences, and all other non-building structures has the potential for significant adverse impacts to the character of the Historic District and its historic resources.

A responsible City Council interested in resolving CEQA litigation would candidly discuss the facts of eliminating design review for all non-building structures at tonight's hearing. If the Council then determines that the elimination of design review for all non-building structures has no potential for significant impacts to the Historic District, the Council should then ensure that substantial evidence to that effect is documented in the record. I believe the City Council cannot make that finding, and in my July 13, 2026, letter to the Council I have urged the Council to consider minor text revisions to FMC 17.52.300 that would restore design review for non-building structures, including privacy walls and fences.

In the 1990s, the City undertook a substantial effort in considering ways to protect and preserve the Historic District that culminated in the adoption of a re-written Folsom Municipal Code Chapter 17.52 ("FMC 17.52") and accompanying Historic District Design and Development Guidelines ("DDGs"). Many thoughtful people worked very hard to create a process defining objective standards and a design review process applicable to all *structures* in the Historic

District. The process may not be perfect and in recent years has been confronted by state laws that, while attempting to achieve commendable aims, have limited the City's ability to exercise design review to the extent envisioned in 1998. Nevertheless, the design review provisions of FMC 17.52 and the DDGs still serve a vital function in preservation and protection of the Historic District. Amending the processes they prescribe should not be taken lightly and the effects of any amendments should be fully understood before their approval.

The FMC 17.52 amendments effectively eliminate design review for all *structures* that do not meet the definition of *building* by establishing in FMC 17.52.300 that the HDC and CDD design reviews only apply to *buildings*. The distinction between these two terms and the resulting change in design review provisions resulting from the FMC 17.52 amendments focus on "buildings" are important for understanding the implications of the FMC 17.52 amendments. These definitions may have been overlooked by staff, the HDC, and the City Council in adopting the amendments last year and certainly warrant further consideration now.[1] The staff reports argue that only certain "very small" structures will be exempt from design review, however, the amendments establish no person and no commission to perform design review of any structures that are not buildings and therefore effectively eliminate all design review authority for all non-building structures. The City's claim that design review is only limited to certain "very small" structures cannot be reconciled with the actual effect that the amendments have in eliminating design review authority for all non-building structures. If this is an *unintended* aspect of the amendments, then now is the time for correction by ensuring that 17.52.300 is revised to establish a design reviewer for non-building structures.

Although the City Council is considering simply readopting the amendments, I urge the Council to more thoroughly consider amendments that achieve the City's efficiency goals while not eliminating important design review provisions that protect the Historic District's character and quality. I suggest the amendments to FMC 17.52.300 presented in my July 13, 2026, letter would help achieve that.

The Project amendments go too far in relaxing and eliminating important provisions of FMC 17.52 that were carefully developed through a rigorous process in the 1990s leading the 1998 rewrite and adoption of FMC 17.52 and its companion DDGs. In addition to eliminating design review of non-building structures, the Project amendments wrest far too much of the remaining design review role from the HDC and reassign that role to the CDD Director. Although I have disagreed with certain decisions made by the HDC in recent years, design review performed by a *commission* through a public hearing provides for a more comprehensive perspective on design considerations, allows for a more formal and visible public noticing and public comment process, eliminates one-on-one influence, and improves design review decision-making. Often, the HDC considers staff recommendations, discusses design adjustments with staff and

[1] The importance of not ignoring the FMC's definitions of terms is highlighted in an October 31, 2025, Sacramento County Superior Court decision pertaining to the 603 Sutter Street Mixed-Use project (Case No. 23WM000125) where the Court ruled that at the City did not comply with the California Environmental Quality Act ("CEQA") in approving that project. For that project, the City had determined that the project's parapet wall could be excluded when calculating the building height. To my knowledge, nowhere in the record had staff ever advised the HDC or City Council that the FMC definition of "building height" specifically establishes that building height is to include measurement to the highest point of any parapet wall. After two years of costly litigation, the Court concluded that "*…the City's interpretation is foreclosed by section 17.02.110, which specifically includes a building's parapet wall in the definition of 'Building height.' While the City is permitted to reasonably interpret its own codes and ordinances where they are unclear or conflicting, it is not permitted to ignore directly applicable provisions of such codes.*"

applicants, and modifies staff's recommendations to ensure design is more appropriate for the Historic District.

This is the very mechanism that, in 1998, City decision-makers decided was appropriate for the Historic District – with a *commission* performing design review not only for properties specifically identified on the City's list of historic properties, but for all properties, buildings, and other structures throughout the Historic District – where all properties contribute to the historic character of the entire Historic District that FMC 17.52 and the DDGs are intended to protect.

## 1. FMC 17.52 and DDG Background

Several of the Project amendments to FMC 17.52 either omit or alter design review and demolition review responsibilities. The amendments create internal inconsistencies within FMC 17.52 with regard to the scope and responsibilities for design review and create inconsistencies between FMC 17.52 and the DDGs. The purpose and intent of FMC 17.52 and the DDGs are important for understanding the baseline conditions to which any amendments to FMC 17.52 must be compared to understand the effects of any amendments.

On July 14, 1998, the City Council adopted Ordinance No. 890 which, among other things, rewrote FMC Chapter 17.52, established the HDC, and established Historic District primary and subarea boundaries in which specialized use and development standards apply. As stated in FMC 17.52.010,[2] "Purpose and intent," among the express purposes of FMC Chapter 17.52 are,

> 1. To preserve and enhance the historic, small-town atmosphere of the Historic District as it developed between the years 1850 and 1950;
>
> 2. To maintain, restore, and reconstruct historic structures and sites within the Historic District;
>
> 5. To ensure that new residential and commercial development is consistent with the historical character of the Historic District as it developed between the years 1850 and 1950; and
>
> 6. To increase the awareness, understanding, and appreciation of the history of the City.

As adopted in 1998, FMC 17.52.120(G) establishes that the HDC is to "[r]eview the design and architecture of any new structure, or alteration to any existing structures within the historic district," and FMC 17.52.330(B) anticipates that as part of the HDC's design review the HDC would consider criteria including "conformance with any…historic District design and development guidelines adopted by the city council." Three months later, on October 13, 1998, the City Council adopted the *City of Folsom Historic District Design and Development Guidelines* (Resolution No. 5757) ("DDGs")[3] to provide a comprehensive document to assist with the implementation of the regulations and standards contained in FMC 17.52.

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[2] The attachment to your staff report includes only excerpts of the amended sections of FMC 17.52, but I urge the Council to obtain and consider the full chapter since several unamended sections are also important for understanding the amendments. An online version, as amended, is here: https://www.codepublishing.com/CA/Folsom/#!/Folsom17/Folsom1752.html#17.52

[3] The 1998 "Historic District Design and Development Guidelines" ("DDGs") are incorporated by this reference in their entirety. At the time of preparation of this letter, the DDGs are available to the public on the City of Folsom website at:
Main Document: https://www.folsom.ca.us/home/showpublisheddocument/23554/639038904142800000
Appendix A, Historic Resources: https://www.folsom.ca.us/home/showpublisheddocument/23556/639038904870370000
Appendix B, Visual Resources: https://www.folsom.ca.us/home/showpublisheddocument/23558/639038904877770000
Appendix C, Environmental Resources: https://www.folsom.ca.us/home/showpublisheddocument/23560/639038904884700000

The DDGs are not perfect, but they offer extensive and beneficial guidance for development in the Historic District.

Section 1.01, "Intent," of the DDGs explains,

> the City Council elected to adopt Historic District Design and Development Guidelines (hereafter the "Design and Development Guidelines") in conjunction with amendments to Chapter 17.52 of the Folsom Municipal Code (hereafter "Chapter 17.52"). By adopting the Design and Development Guidelines, the City Council intends to provide a comprehensive policy manual to assist with the implementation of the regulations contained in Chapter 17.52 of the Folsom Municipal Code. The goals, policies, and programs which have guided the preparation of this document and which are to be used in implementing Chapter 17.52 are enumerated in detail in Section 2.01 of this document. In addition to providing design review standards, the City Council intends to set forth in this document criteria that will guide further development within the Historic District. These Design and Development Guidelines provide policy direction concerning private and public development within the Historic District, as well as policy direction concerning public infrastructure and circulation improvements.

(DDGs, p. 1-1.)

The DDGs further explain the City Council's purpose and intent for FMC 17.52 and the DDGs to work in combination for protection of the historical character of the entirety of the Historic District and not solely focused on protection of certain individual properties deemed historically significant,

> Historic Folsom is also a representative example of the development of many small towns across the American West, and this legacy is likewise worthy of preservation, interpretation, and re-creation. While modern developments consist of carefully integrated architecture, materials, and site plans, protected by Design and Development Guidelines and CC&R's against discordant future construction, traditional development was more varied and occurred on a lot-by-lot basis. In conjunction with the regulations imposed by Chapter 17.52 of the Folsom Municipal Code, the Design and Development Guidelines limit future construction in Historic Folsom to the architectural styles extant in California from 1850 to 1950, a limitation intended to encourage the diversity which is the charm of old Folsom while preventing construction of modern buildings which would be discordant. While there are only a few structures within Historic Folsom which are individual architectural stand-outs, the homes and buildings, when taken together, evoke the feeling of life in small-town America, an aspect often ignored by history books and preservation efforts. By the adoption of Chapter 17.52 and these Design and Development Guidelines, the City Council seeks to preserve that image.

(DDGs, Section 1.01, pg. 1-2.)

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Appendix D, Design Criteria: https://www.folsom.ca.us/home/showpublisheddocument/23562/639038904905270000
Appendix E, Historic District Circulation Plan: https://www.folsom.ca.us/home/showpublisheddocument/23564/639038904914600000

The DDGs include goals and policies pertaining to Historic District design review including,

> GOAL l: Community Identity: To preserve and enhance the historic, small-town atmosphere of the 98-block Historic District area.
>
> Policy 1.4: Since the Historic District plays a central role in determining the character of the City of Folsom, **every project within the Historic District, at every stage of approval and construction**, should be marked by an attention to quality which will serve as a benchmark to the rest of the community.
>
> GOAL 6: New Development: To ensure that new residential and commercial development is consistent with and enhances the historical character of the historic district.
>
> Policy 6.1: New development shall conform to architectural and infrastructure standards of Chapter 17.52 of the Folsom Municipal Code and these Design and Development Guidelines.

Additionally, the DDGs assign demolition review for all existing structures in the Historic District to the HDC, stating,

> Policy 6.3: Demolition of existing structures located in the Historic District shall require approval of the Historic District Commission, which shall consider 1) whether the public health, safety and/or welfare warrant the demolition; 2) what accommodation can be provided to the owner of the property to make it feasible to preserve the property or structure; 3) whether the owner of the property is willing to sell the property or structure to a buyer who wishes to preserve it; and 4) whether a public entity wishes to acquire the property or structure in order to preserve it.

The DDGs are not simply an afterthought of niceties, they were developed as an integral part of the vision established by the City Council in 1998 for the preservation and protection of the Historic District.

As described section 1.03, "CEQA Compliance," of the DDG's,

> The City conducted environmental review of a proposed Historic District Specific Plan. Due to the nature and complexity of the Plan and the projects which will follow under it, a Master Environmental Impact Report (MEIR) was prepared. The City Council ultimately elected to implement zoning changes to Chapter 17.52 of the Folsom Municipal Code and design standards through the adoption of these Design and Development Guidelines. Many of the provisions of the proposed Historic District Specific Plan and the amendments to Chapter 17.52 are contained within these guidelines. Accordingly, the City Council relied upon the MEIR for evaluation and consideration of environmental impacts.

Thus, the 1998 FMC 17.52 and DDGs were intended not simply as preferred land use regulations for the Historic District, but also incorporated provisions and mitigation identified through the California Environmental Quality Act ("CEQA") process as necessary to protect the character and quality of the Historic District. The City has all but ignored the fact that a comprehensive CEQA process was conducted prior to the adoption of FMC 17.52 and the DDGs.

Through that process, the City not only included provisions in FMC 17.52 and the DDGs to avoid or minimize adverse effects of development in the Historic District, but also identified

several mitigation measures, including the following pertaining to inadvertent discovery of cultural resources:

> Should any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any development activities, work shall be suspended and the City of Folsom shall be notified. The City shall consult with a qualified archaeologist to determine if the encountered resources are "important" cultural resources within the definition of CEQA Appendix K. The consulting archaeologist shall develop, if necessary, further mitigation measures consistent with CEQA Appendix K to reduce any cultural resource impact less than a significant level.

(Folsom Historic District Specific Plan, Mitigation Monitoring Program, January 21, 1998. State Clearinghouse Number: 95032066, pg. 9.)

The City has consistently included inadvertent cultural resources discovery provisions as conditions of approval for design review projects that involve ground disturbance in the Historic District that have undergone review by the HDC. However, staff-level design reviews have omitted provisions for inadvertent discovery of cultural resources.[4,5,6] Without provisions for inadvertent cultural resources discovery for all ground disturbance projects in the Historic District, the potential for inadvertent discovery and damage or destruction of significant cultural resources exists. The previously required HDC design review of all structures provided a mechanism for imposition of inadvertent discovery protocols through conditions of approval. With the Project amendments shifting much of the design review role to staff and eliminating design review for non-building structures, the mechanism for requiring inadvertent discovery protocols and protection of currently unknown cultural resources is disrupted and eliminated. The City provides no explanation of how projects involving ground disturbance in the Historic District that will now be exempt from design review will still somehow be required to implement inadvertent cultural resources discovery protocols or, if such projects will not be required to implement these protocols, how impacts to cultural resources that may be present within a development footprint will be avoided or otherwise mitigated.

## 2. The Project Eliminates Design Review for All Non-Building Structures

Prior to the FMC 17.52 amendments approved by the City Council in October 2025, FMC 17.52.300 specified that the HDC was to perform design review of all proposed new or modified *structures* in the Historic District. Since there was no other design reviewer identified, it was very clear that any design review requirement discussed in any section of FMC 17.52 fell squarely on the HDC.

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[4] See letter Attachment 1, January 10, 2024, HDC design review conditions of approval pertaining to 403 Riley Street external staircase with condition of approval 5 requiring, "*If any archaeological, cultural, or historical resources or artifacts, or other features are discovered during the course of construction anywhere on the project site, work shall be suspended in that location until a qualified professional archaeologist assesses the significance of the discovery and provides recommendations to the City. The City shall determine and require implementation of the appropriate mitigation as recommended by the consulting archaeologist. The City may also consult with individuals that meet the Secretary of the Interior's Professional Qualifications Standards before implementation of any recommendation. If agreement cannot be reached between the project applicant and the City, the Historic District Commission shall determine the appropriate implementation method.*"

[5] See letter Attachment 2, September 11, 2018, staff design review approval for patio at 614 Sutter Street with no provisions for inadvertent discovery of cultural resources.

[6] See letter Attachment 3, May 8, 2026, staff design review approval for a deck at 405 Sutter Street with no provisions for inadvertent discovery of cultural resources.

However, under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed for only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director. (See CC 7/14/26 Packet pages 284-286 where FMC 17.52.300(A) provides for HDC design review of certain projects in which all previous references to "structures" are stricken and replaced with the more limited term "buildings" and FMC 17.52.300(B) provides for CDD Director design review of all other renovations, additions, and accessory *buildings* without assigning design review authority for review of non-building *structures*.)

FMC Chapter 17.02 "Definitions," defines these terms:

> 17.02.090 Building. "**Building**" means any structure having a roof supported by columns and/or by walls and intended for the housing or shelter of any person, animal or chattel.
>
> 17.02.400 Structure. "**Structure**" means anything constructed or erected upon the ground or attached to a structure having location on the ground.

The FMC definition of "structure" is very broad while the definition of "building" is much narrower. All buildings are structures, but many structures are not buildings.

The Project's elimination of design review of non-building structures is a substantial reduction in the design review provisions of FMC 17.52. Staff describe that the amendments exempt only "certain very small projects from design review," (see CC 7/14/26 pkt. pgs. 268, 269, 270) yet staff's analysis fails to recognize that *all* non-building structures, regardless of size, is not subject to design review under the amended language. The amended FMC 17.52.300 establishes that certain new or modified *buildings* are subject to HDC review and that other new or modified *buildings* are subject to CDD review, but contains no provisions for any design review of non-building structures neither by the HDC nor the CDD Director.[7]

Moreover, the FMC 17.52.300 amendments conflict with other sections of FMC 17.52 not amended by the Project. For instance, FMC 17.52.120 specifies duties of the HDC which include, "G. Review the design and architecture of any new *structure*, or alteration to any existing *structures* within the historic district, as further defined in this chapter," yet, with the FMC 17.52.300 amendment, neither the HDC nor the CDD Director has authority to review any new or altered non-building structure. Additionally, FMC 17.52.400 specifies that "design review is required for all new *structures* and alterations to existing *structures*," yet, as amended, FMC 17.52.300 no longer provides any role for either the HDC or CDD to perform design review for non-building structures.

In considering readoption of the FMC 17.52 amendments, it is critical that the Council fully understand and disclose the implications of the elimination of design review for non-building structures. Staff's incorrect premise that only "certain very small projects" would be exempt from design review cannot be reconciled with the actual language and effects of the amendments that eliminate design review authority for all non-building structures.

The City needs to either restore design review of non-building structures or the City's analysis of the Project and its potential effects on the character of the Historic District and individual

[7] The CDD website identifies that design review is required for certain types of non-building structures (e.g., landscape features depending on size/location, pools and spas depending on location), however, the amended FMC 17.52 provides no authority for any such design review since these features are not *buildings* and the CDD exceeds its authority if it exercises design review over non-building structures.

historic properties must include consideration of the effects of eliminating design review for all non-building structures.

**3. CEQA Compliance**

On October 28, 2025, when the City Council adopted Ord. 1353 amending FMC 17.52, the Council determined the Project was exempt from CEQA review because the Project was "process related and administrative in nature" and therefore qualified for the CEQA Guidelines § 15061(B)(3) "commonsense" exemption.

Prior to the Council's approval of the Project, I submitted comments opposing the Project and providing explanation and evidence that the Project would have the potential to result in significant impacts to the historic character of the Historic District and that the Project did not qualify for a CEQA exemption.[8] Others, including those involved in developing FMC 17.52 and the DDGs in the 1990s, also expressed concerns and provided comments to staff, the HDC, and the City Council prior to approval of the Project.

After requesting in November 2025 that the Council rescind Ord. 1353 and after allowing nearly six months for the Council to do so, on April 23, 2026, I filed a petition for writ of mandate with the Superior Court of the State of California, County of Sacramento (Case No. 26WM000118), challenging the City's approval of the Project with a CEQA exemption. That lawsuit is the obvious catalyst for the City's current effort to re-approve the Project and assert additional grounds for exempting the Project from CEQA review. Yet, the CEQA arguments that the staff report now presents to the Council (CC 7/14/26 pkt, pgs. 268-261) misconstrue the Project and do not provide substantial evidence that the Project qualifies for one or some combination of CEQA exemptions.

The staff report also asserts that the Council might find that the Project is actually not a project at all under CEQA. But the Project is a project under CEQA as, among other things, the elimination of design review that would otherwise be performed for all non-building structures has the obvious potential to cause an indirect physical change in the environment as compared to circumstances in which all buildings and structures are subject to design review, as discussed further herein.

To argue that the Project is not a project under CEQA requires one to take the unfounded position that the design review process has no influence on the character or quality of non-building structures constructed, modified, and/or demolished in the Historic District. Instead of addressing that fact, the staff report claims the Project is not a project under CEQA "[b]ecause changing which body (HDC or City staff) will process the minor approvals covered under the proposed amendments does not have the potential to cause a physical change in the environment directly or indirectly." Even were the staff report correct that changing the body performing design review has no potential to result in physical changes, this argument fails to address other aspects of the Project that modify and eliminate design review of all non-building structures. Staff's attempt to claim the Project is not a project under CEQA falls short of even attempting to address the whole of the Project and fails to account for the indirect physical changes to the

[8] See Bob Delp October 14, 2025, letter subject *Comments to City Council re: October 14, 2025, Agenda Item No. 6 – Ord. No. 1353 Amending FMC Chapter 17.52*, and Bob Delp October 28, 2025, letter subject *Comments to City Council re: October 28, 2025, Agenda Item No. 3 – Ord. No. 1353 Amending FMC Chapter 17.52* previously submitted and included in the City's records of HDC and Planning Commission meetings for the proposed readoption of the subject amendments. These letters are incorporated in their entirety herein by this reference.

environment that will occur as a result of the Project's elimination of non-building structure design review.

In fact, the obvious physical effect of the design review process is demonstrated in a recent communication from City Planner Nathan Stroud.[9] Stroud explains that a permit for a replacement of the roof at 512 Natoma Street in the Historic District was erroneously issued and that, had the reroof undergone design review (as it should have but did not) the CDD design review process "would not have allowed black comp shingles and would have required they stay with the red Spanish tiles, as is consistent with the Spanish eclectic style" of the building. Obviously, the design review process influences and effects the ultimate physical appearance of buildings and formerly non-building structures, and changes to the design review process, requirements, and projects subject to design review as results from the Project amendments to FMC 17.52. Staff's assertion that the Project amendments to FMC 17.52 "does not have the potential to cause a physical change in the environment directly or indirectly, the amendments are not a project subject to CEQA" is without merit.

In contrast to staff's new claim that the Project is not a project under CEQA, the staff report also argues that the Project is eligible for the CEQA Guidelines 15061(b)(3) "commonsense" exemption and also attempts to overlay or incorporate other CEQA exemptions in arguing that environmental review of the Project is not required. As discussed below, the Project does not qualify for the 15061(b)(3) exemption and the City's attempt to bolster its rationale fails.

Moreover, with or without application of additional CEQA exemptions, the Project does not qualify for the 15061(b)(3) exemption. Additionally, the staff report's attempt to assign a CEQA exemption to certain aspects of the Project as ministerial is misguided. The Project clearly involves discretionary decision-making and CEQA Guidelines expressly state, "[w]here a project involves an approval that contains elements of both a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA." Also, the staff report's attempt to assign categorical exemptions to the Project or portions of the Project is also misguided. The Class 1 and Class 3 categorical exemptions asserted in the staff report might be applicable to certain discretionary approvals in the Historic District, but they are inapplicable to the City's consideration and approval of the Project because the Project is a zoning ordinance amendment and is not a decision to approve modifications to existing facilities, small structures, or any other facilities or structures. Moreover, after introducing these two irrelevant categorical exemptions, the staff report attempts to discuss whether any *exceptions* to these exemptions apply. Yet, because the Project does not involve any specific development and the Class 1 and 3 exemptions cannot be applied to the Project, there is neither current relevance nor a basis to conclude that the exceptions to the exemptions would not apply to specific development subject to FMC 17.52.

### *3.1 The Project does Not Qualify for the Commonsense Exemption*

The CEQA Guidelines 15061(b)(3) exemption can be applied only, "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." In claiming this exemption, the City must provide substantial evidence for how the proposed FMC 17.52 amendments would have no possibility of a significant impact. The City Council's October 2025 approval of the Project rested on the assertion that "the proposed code amendment is *process related and administrative in nature* and therefore will not have a significant effect on the environment," and does not consider the implications of

[9] See letter Attachment 4, July 2, 2026, email from Nathan Stroud subject, *Re: 512 Natoma St. Folsom Reroof Project*.

eliminating certain projects from design review and other changes in design and demolition review processes that would result from the Project amendments.

In attempting now to substantiate the Project's qualification for the 15061(b)(3) exemption, the staff report asserts that, "[t]he ordinance amendments discussed in this report do not have the potential to cause a significant effect on the environment," and that the Project's exemption of "certain very small projects from design review" would not have potential to cause any significant impacts on the environment. The staff report also discusses that "several of the project types exempted from design review are required to be located in side or rear yards for the exemption to apply." (CC 7/14/26 pkt. pgs. 268-269.)

The staff report's arguments do not address substantial evidence indicating the potential for significant impacts and do not provide substantial evidence that the Project would have no possibility of a significant impact precluding the Project from the 15061(b)(3) exemption.

### *3.1.1 Elimination of Design Review for All Non-Building Structures*

As discussed above in Section 2 of this letter, prior to the Project amendments, FMC 17.52.300 specified that the HDC was to have final authority over all new office, industrial, commercial, and residential *structures*, and all exterior renovations, remodeling, modification or addition to existing *structures*. Under the amended FMC 17.52.300, design review function is divided between the HDC and the CDD Director with each of their design review roles prescribed only various types of *buildings*, such that any *structure* that does not also fit the definition of *building* is no longer subject to design review by either the HDC or CDD Director.

Without a designated body and process, design review of non-building structures is effectively eliminated from FMC 17.52. With the Project amendments, the list of exempt non-building structures in FMC 17.52.300(C) represents only a small subset of the types of non-building structures for which design review will not be performed as a result of the Project.

The staff report and staff's assessment of potential impacts of the Project does not mention or assess the impacts of eliminating design review of all non-building structures and, thus, fails to provide evidence that the Project's elimination of design review for all non-building structures would have no possibility of a significant impact.

The elimination of design review for all non-building structures eliminates design review of many types of new and modified structures (e.g., privacy walls, retaining walls, fences, decks, pools/spas, play equipment, courtyards, exterior street-to-sidewalk stairways and railings, amphitheaters, bridges, public restrooms, mechanical equipment, roads, bike paths, sidewalks… all of which meet the definition of "structures" under the FMC 17.02.400) and any of which would have the potential to be inconsistent with the Historic District character if developed without going through the FMC 17.52 design review process.

The elimination of design review of non-building structures would also eliminate any discretionary review of many such structures, and would provide no mechanism for the City to impose standard conditions of approval that are used mitigate impacts, including the standard condition pertaining to inadvertent cultural resources discovery discussed above in this letter.

### *3.1.2 Exempting Privacy Walls and Fences*

Even if design review were restored for most structures, the exemption of privacy walls and fences would still have the potential for adverse effects on the Historic District character and quality and its individual historical and contributing resources.

The staff report asserts that, "[s]everal of the very small projects, including like-for-like structural replacements, residential re-painting, privacy walls/fences, and solar panels were already not going through design review based on the City's consistent past practice and thus, would not result in any change from baseline conditions for those projects." (CC 7/14/26 pkt. pg. 269.)

Regardless of how baseline conditions might be defined for future review of a particular proposed structure, such as a privacy wall or fence, the relevant CEQA baseline for consideration of the potential environmental effects of the Project is the specifications and design review requirements of FMC 17.52 as it existed prior to the Project amendments. Under that appropriate baseline condition, FMC 17.52 provided for HDC design review of fences and all other new and alterations to existing structures, stating in FMC 17.52.400, "Design standards," (emphasis added),

> A. The design standards specified in Sections 17.52.410 through 17.52.590 shall be applicable to all new structures and alterations to existing structures within the historic district. ***Design review*** **is required for all new structures and alterations to existing structures, unless otherwise specified in this chapter.**

FMC 17.52.430 – 17.52.480 provide objective standards for certain types of non-building structures[10] and specify when certain sizes and/or locations of structures are not subject to design review. For instance, FMC 17.52.460 specifies objective standards for play equipment and exempts play equipment smaller than 120 square feet or below fence height from design review; whereas FMC 17.52.440, "Fences," specifies objective design standards for fence height without providing an exemption from design review. By a plain read of the text it is undeniable that, prior to the Project amendments, FMC 17.52 required design review for all structures, including fences. The Project amendments to FMC 17.52 that include "privacy walls and fences" on a list of features exempt from design review must be compared to the existing condition baseline under which design review was required by FMC 17.52.

The staff report's assertion that fences and other types of structures "were already not going through design review based on the City's consistent past practice" might reveal some deficiency of the City to actively implement FMC 17.52's design review provisions for fences, but does not establish the relevant baseline for consideration the Project's potential effects. Even an unenforced design review provision still creates an incentive for compliance with the general intent of the design review and design character aims of the DDGs.

The City Police Department, from time to time and for various reasons, may not always actively enforce speed limits on City streets, but that does not negate the beneficial effect and value of maintaining posted speed limits on City streets, nor does it mean that speed limits could be abolished with no effect on driver behavior. Similarly, that any given time the CDD may not be actively performing/enforcing the required design review for certain types of projects does not negate the benefits of maintaining design review requirements in FMC 17.52.

Were individual property owners in the Historic District to build privacy walls or fences without first obtaining design review approval, those property owners would nevertheless be influenced by the risk of non-compliance and incentivized to design the structure consistent with Historic District character (akin to a driver heeding speed limits even in the absence of police enforcement). Moreover, the design review requirement for fences provides a mechanism

[10] e.g., 17.52.430 Decks, 17.52.440 Fences, 17.52.450 Landscape features, 17.52.460 Play Equipment, 17.52.470 Swimming Pools and Spas, 17.52.480 Accessory Structures.

through which the City could take enforcement action for a property owner's failure to obtain a design review approval and remedy an inappropriate fence design. Without a design review requirement, the City has no mechanism or ability to enforce restrictions on inappropriate fence design.

Section C of Appendix D of the DDGs provides Historic Residential Design Criteria, and specifies the following design provisions for walls and fences:

> *Walls and fences.* Materials of walls and fences shall reflect the style and character of the building and its site. Where large expanses of blank building wall, retaining wall or fencing are unavoidably exposed, they should be screened with upright shrubs or trellised vines. Trellises are to be constructed of substantial, durable materials, but may incorporate redwood lath lattice. Inappropriate materials such as chainlink, split rail, and other non-historic fencing materials are not permitted.

(DDGs, Appendix D, p. 55.)

Without establishing specific design requirements for fence design, the DDGs section above provides guidance for the City's design review of walls and fences. Thus, the Project's elimination of design review of walls and fences effectively eliminates all regulation and related incentives for individual property owners to achieve wall and fence design compatible with the Historic District character.

Exempting, "privacy walls and fencing" from any design review requirements would have the potential to be detrimental to the historical character of the Historic District. Even attractively designed privacy walls or fencing could be substantially inconsistent with, and diminish the historical character of, the Historic District. The development of unregulated out-of-character walls and fences would have the potential to result in – in individual instances and cumulatively over time - a significant adverse impact on the historical character of the Historic District.

The City-adopted DDGs explain as pertains to "Fences, Landscape Features, and Play Equipment,"

> Besides safety, the City's purpose in regulating fences and landscape features is primarily to inform property owners of the impact such construction has on the historical and aesthetic character of a home or neighborhood and to seek voluntary support of the community goal of preserving and enhancing the character of the Historic District. Preference in any required review will be toward granting the property owner's request unless it is unsafe or the effect on the character of the Historic District would be notably deleterious. (DDGs section 4.04.)

Pertaining specifically to "Fences" the DDGs explain the City's 1998 affirmation that, "[f]ences are a significant contributing factor to a home's or neighborhood's character." (DDGs section 4.04.01.) Notwithstanding the documented importance of design review for walls and fences as expressed in the DDGs adopted by the City Council in 1998, during the Project review process, the City has yet to directly acknowledge the adverse effects that incompatible fence design could have on the historical quality and character of the Historic District.

When adopting the Project's list of "minor modifications" to be exempt from design review, the City included, "e. privacy walls and fencing, *excluding chain link, which is not allowed*."

If the City's position is that fence design does not have the potential to adversely affect the character of the Historic District, it is unclear why the City would attempt to *mitigate* the wall and fence exemption by including a prohibition of chain link fence. Moreover, the DDGs establish "appropriate" and "inappropriate" fence and wall/retaining wall types (DDGs, Appendix D, Attachment 2, "Building Materials Palette."). These lists in the City's adopted DDGs do not allow or prohibit particular fence or walls types and, instead, they provided guidance intended for consideration during the design review process. With elimination of design review for privacy walls and fences, the mechanism for the City's regulation of appropriate wall and fence types is eliminated.

The CDD has attempted to list "appropriate" and "inappropriate" fence types for the Historic District on the City's Historic District Resources website which identifies 12 types of fences as "Inappropriate" for the Historic District and lists 10 types of fence types as "Appropriate" with 3 of the "Appropriate" types noted as "Except for Historic Properties."

| **City of Folsom, Historic District Resources Website<br>List of *Appropriate* and *Inappropriate* Fence Types** | |
|---|---|
| **Appropriate Fence Types** | **Inappropriate Fence Types** |
| Wood Picket Fences | Chain Link |
| Vertical or Horizontal Board Fences<br>(Min. 30% opening, or Staggered Boards) | Chicken Wire |
| Classic Wire Mesh (3" x 6") | Barbed Wire |
| Solid Wood (Rear Yard Only) | Plywood |
| Brick and Mortar | Masonite |
| Stone and Mortar | Cedar Post and Rail |
| Treated Wood | Grape Stake |
| Cinderblock Wall<br>(Except for Historic Properties) | Split Rail |
| Railroad Tie Fencing<br>(Except for Historic Properties) | Cyclone |
| Poured or Finished Concrete Wall<br>(Except for Historic Properties) | Snow Fence |
| | Bamboo or Matting |
| | Plastic or Vinyl |
| **Source:** City of Folsom, Historic District Resources website, "Residential Fencing" dropdown at: https://www.folsom.ca.us/government/community-development/planning-services/historic-district-resources/ . June 9, 2026. | |

Staff's assessment of the Project does not address the DDGs Building Materials Palette lists for fences and walls/retaining walls or explain why, with a dozen specific fence types considered "inappropriate" for the Historic District and an additional 3 types inappropriate for historic properties, only *chain link* fence warrants a prohibition in FMC 17.52 while design review of all privacy walls and fences is eliminated. Yet, with a dozen identified by CDD as "Inappropriate Fence Types," in adopting the Project amendments to FMC 17.52, staff and the City Council somehow determined that only chain link need to be prohibited.

Even were a prohibition on chain link fence sufficient to *mitigate* the impact of exempting privacy walls and fences from design review, such a mitigation would run afoul of CEQA case law establishing that,

> [r]eliance upon mitigation measures (whether included in the application or later adopted) involves an evaluative process of assessing those mitigation measures and weighing them against potential environmental impacts, and that process must be conducted under established CEQA standards and procedures for EIRs or negative declarations.

(*Salmon Protection and Watershed Network v. County of Marin* (2004) 125 Cal.App.4th 1098)

Thus, if the prohibition on chain link fence was necessary to *mitigate* the impacts of exempting fences from design review or if the City thinks the impact can mitigated by providing an advisory list of inappropriate fence types on its website, the Project is disqualified from any CEQA categorical exemption.

Given the Project's elimination of design review for all non-building structures, including but not limited to the express exemption from design review of fences and other structures having the potential for deleterious effects on the quality and character of the Historic District, the Project does not qualify for the CEQA Guidelines 15061(b)(3) exemption and no combination of additional CEQA exemptions or mitigation measures can intervein to exempt the Project from CEQA review.

### *3.2 The Project does Not Qualify for a Ministerial Exemption*

The staff report quotes CEQA Guidelines § 15268(a) stating, "Ministerial projects are exempt from the requirements of CEQA" and the staff report then argues that "the solar panel exemption from design review is ministerial and exempt from the requirements of CEQA," that "the design review exemption for certain ADUs [accessory dwelling units] is ministerial and exempt from the requirements of CEQA," and that, "to the extent that a building permit is required for installation of a fence or any of the other minor modifications exempt from design review under FMC Section 17.52.300(C)(1), such approvals are ministerial in nature and as such are exempt from the requirements of CEQA." (CC 7/14/26 pkt. pg. 269.)

In making these arguments the staff report confuses potential future activities and actions with the current Project. The Project involves a *discretionary* action by the City which is the amendment of FMC Chapter 17.52. The Project is not approval of a solar facility, nor approval of an ADU, nor the issuance of a building permit for installation of a fence or other structure. That future activities or projects may or may not be limited to ministerial decision-making at such time as each is proposed is irrelevant to assessing whether the Project qualifies for a ministerial project exemption.

Moreover, even if there were some element of ministerial decision-making involved in the Project, CEQA Guidelines § 15268, "Ministerial Projects," at subd. (d) definitely establishes,

> (d) Where a project involves an approval that contains elements of *both* a ministerial action and a discretionary action, the project will be deemed to be discretionary and will be subject to the requirements of CEQA.

Although state law may limit or preclude the City from performing discretionary design review of certain future individual development projects or other activities, the Ministerial Projects exemption is unavailable to the Project.

### *3.3 The Project does Not Qualify for a Class 1 Categorical Exemption*

The staff report discusses the Class 1 Categorical Exemption of CEQA Guidelines 15301, describing that, "[u]nder Section 15301 of the CEQA Guidelines, the Class 1 exemption "consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use," and argues that, " [t]his proposed ordinance's exemption for very small projects falls under this Class 1 CEQA exemption." (CC 7/14/26 pkt. pg. 269-270.)

In making this argument the staff report confuses potential future approvals for some unidentified existing facility with the current Project. The Project is the amendment of

FMC 17.52. The Project does not involve an approval associated with an existing facility and the Class 1, "Existing Facilities," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of existing facilities in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 1 exemption. However, whether such projects may or may not qualify for the Class 1 exemption is a matter to be determined when such a project is proposed and, at that time, will require assessment of the particular factors of the project. Moreover, as part of that assessment, the City needs to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 1 exemption, and such an assessment cannot be performed until a potentially eligible Class 1 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or modified structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performing design review for a particular new or modified structure in the Historic District is a key step that often enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.4 The Project does Not Qualify for a Class 3 Categorical Exemption*

The staff report discusses the Class 3 Categorical Exemption of CEQA Guidelines 15303, describing that, "[u]nder section 15303 of the CEQA Guidelines, projects consisting of "construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures…", and argues that, "the ordinance amendment's exemption of fences, hot tubs, outdoor kitchens, and patios qualify for the Class 3 Categorical Exemption." (CC 7/14/26 pkt. pg. 270.)

In making this argument the staff report confuses potential future approvals for some unidentified new construction or conversion of a small structure with the current Project. The Project is the amendment of FMC 17.52. The Project does not involve an approval associated with a new or proposed conversion of a small structure, thus, the Class 3, "New Construction or Conversion of Small Structures," categorical exemption is inapplicable to the Project.

The City will undoubtedly consider future discretionary approvals for many types of small structures in the Historic District and will likely make valid determinations that some of those approvals are exempt from CEQA under the Class 3 exemption. However, whether such projects may or may not qualify for the Class 3 exemption is a matter to be determined when such a project is proposed and requires assessment of the particular factors of the project. Moreover, as part of that assessment, the City would need to consider whether any of the CEQA Guidelines 15300.2 *exceptions* apply and preclude the use of a Class 3 exemption, an assessment that cannot be performed until a potentially

eligible Class 3 project is proposed (see *Exceptions to the Exemptions* section below for additional discussion).

Additionally, the staff report seemingly confuses the two separate factors of: 1) whether a proposed new or converted small structure in the Historic District can be *exempt from design review* without resulting in or contributing to degradation of the Historic District character and quality and 2) whether that project might be *exempt from CEQA*. The vast majority of design reviews performed in the Historic District are for projects that the City determines are exempt from CEQA. But those projects are not – or at least in the past have not been – exempt from design review. Design review of all structures as required by FMC 17.52 prior to the Project amendments serves the purpose established by FMC 17.52 and detailed in the DDGs. In fact, performance of design review for a particular new or modified structure in the Historic District is a key factor that then enables City decision-makers to determine that the new or modified structure, as conditioned through the design review process, qualifies for a CEQA categorical exemption without triggering the Historical Resources exception to the exemption.

### *3.5 The Question of Exceptions to Categorical Exemptions is Moot and Staff's Conclusion is Not Supported by Substantial Evidence*

The staff report asks the City Council, among other things, to find that none of the CEQA Guidelines 15300.2 *exceptions* to categorical exemptions apply. However, neither the Class 1 nor the Class 3 categorical exemptions identified in the staff report can be applied to the Project for reasons explained above, and the question of whether any exceptions to the exemptions is therefore moot. Nevertheless, additional discussion is provided here in response to the staff report.

#### *3.5.1 Unusual Circumstances*

CEQA Guidelines §15300.2(c) provides, "A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances." CEQA does not define the term "unusual circumstances," but case law has held that an *unusual circumstance* refers to "some feature of the project that distinguishes it" from others in the exempt class. (*Fairbank v. City of Mill Valley*, (1999) 75 Cal. App. 4th 1243, 1259.)

The staff report states that "the ordinance amendments do not involve any unusual circumstances, because creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government, and as explained above, these changes will not have any significant effects on the environment." (CC 7/14/26 pkt. pg. 270.) This discussion in the staff report further emphasizes the fact that the Project does not fit within either the Class 1 or Class 3 exemption.

The staff report's statement that "creating different levels of design review within a municipality's administrative processes is a common-place feature of municipal government" may be accurate but has nothing to do with a comparison of the Project to the circumstances of a typical Class 1 or Class 3 project. In fact, the Project's circumstances are inherently *unusual* as judged relative to the typical circumstances of projects fitting either the Class 1 or Class 3 exemption, because the Project is an amendment to a zoning ordinance applicable to the entirety of Folsom Historic District.

If the unusual circumstances tail needs to be chased even further, then it is also worth noting that Project's unusual circumstance as compared to Class 1 and Class 3 projects

does create the potential for significant impacts that would not be typical of the types of impacts associated with a Class 1 or Class 3 project, because the Project involves amendment of a zoning code regulating development and demolitions in a Historic District whereas the typical Class 1 and Class 3 project does not create or amend a zoning ordinance pertaining to a historic district.

Thus, even if through some abstract theory the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the unusual circumstances exception whereby the Project's unusual circumstance do result in the Project having the potential to result in adverse effects on the character of the Historic District by relaxing or eliminating design review requirements creating the potential for adverse impacts as discussed in this letter.

*3.5.2 Historical Resources and Cumulative Impacts*

CEQA Guidelines §15300.2(f) provides, "Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource." Regarding the CEQA Guidelines § 15300.2(f) historical resources exception to the exemption, in *Hillside* the Supreme Court cited *Valley Advocates v. City of Fresno* (2008) 160 Cal.App.4th 1039 affirming the holding that once a resource is recognized as historic, "the fair argument standard applies to the question of whether the proposed project 'may cause a substantial adverse change in the significance of an historical resource' and thereby have a significant effect on the environment." (*Hillside*, supra, 60 Cal.4th at 1117.)

The staff report states that, "[t]he ordinance amendments would not result in any significant cumulative environmental impact, because there is no substantial evidence in the City's record demonstrating that the amendments would result in any significant increase in impacts in the Historic District by virtue of *just changing the design review process*, which still protects listed and potentially eligible historic resources." (CC 7/14/26 pkt. pg. 270, emphasis added.)

The staff report's assertions fail to recognize the Project provisions that eliminate design review of non-building structures and eliminate design review of privacy walls and fences, both of which if unregulated pose the potential to result in a substantial adverse change in the significance of individual historic resources within the Historic District and the overall quality and character of the Historic District. Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the historical resources exception.

CEQA Guidelines 15300.2(b) provides, "Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant."

Although the staff report asserts that the project would not result in any significant cumulative environmental impact, such a notion fails to recognize the breadth of the Project and the staff report's discussion does not provide any basis for cumulative circumstances that were considered in making its conclusion.

The Project amendments to FMC 17.52 alter and reduce the design review and other roles of the HDC, eliminate design review provisions for all non-building structures, and expressly exempt certain features from any design review. FMC 17.52 applies to the 98-block of Folsom's Historic District that contains federal, state, and locally recognized

historic resources and properties, commercial areas with high tourism, recreational and cultural resources access, and the Historic District is a locally important historical resource. Elimination of design review provisions for all types of non-building structures that might be developed throughout the Historic District has the potential to result in significant adverse cumulative impacts when the Project (amendments to FMC 17.52) is considered in combination with future development within the Historic District.

Moreover, as discussed throughout the staff report, there are several types of individual future projects that may be developed in the Historic District – such as solar facilities, ADUs, multi-family housing – that will be exempt from CEQA and may also be exempt from design review whether by state law or by the City's own doing. Any consideration of cumulative effects of FMC 17.52 amendments must account for the potential for such developments to occur without design review and reflect the expanded importance of design review.

Thus, even if the Project were to qualify for a Class 1 or Class 3 exemption, such an exemption would be precluded due to the cumulative impacts exception and the City has provided no meaningful evidence or assessment of these potential cumulative impacts.

### *3.6 Public Resources Code section 21080.35 Exemption*

The staff report states that, "[t]he ordinance amendments are statutorily exempt from CEQA review under Public Resources Code section 21080.35, which states in pertinent part that CEQA '...does not apply to the installation of a solar energy system on the roof of an existing building or at an existing parking lot.'" … "To the extent the ordinance amendments apply to solar panels on the roof of an existing building or at an existing parking lot, they are exempt from CEQA under this statute. Staff has not seen and does not anticipate receiving applications for the installation of solar panels on property within the Historic District that include a proposal to install solar panels anywhere other than the roof of an existing building or at an existing parking lot." (CC 7/14/26 pkt. pg. 271.)

The Project does not involve development or approval of a solar energy system and this statutory exemption is inapplicable as an exemption for the Project.

## 4. Readopting Amendments to Chapter 17.52 will Restart a 90-Day Statute of Limitations for a Challenge of Provisions that Purport to Give Final Approval Decision to the HDC in Conflict with the City Charter

When the City Council adopted the FMC 17.52 amendments on October 28, 2025, a final ruling was pending in a separate matter, *Delp v. City of Folsom, et al*. (Superior Court of California, County of Sacramento, Case No. 23WM000125) involving two causes of action, the second of which involved Delp's request for declaratory relief pertaining to Folsom City Charter Section 4.07's limitation on the authority of the Historic District Commission as pertains to the 603 Sutter Street Mixed-Use project that was subject to that litigation. On October 31, 2025, the Court issued its final ruling. With regard to the HDC approval authority, as pertains to the 603 Sutter Street project design review, the Court found that the City's interpretation of Charter Section 4.07 was "entirely unreasonable," and that,

> As the plain language of Section 4.07 provides, the City's authority to prescribe the "powers and duties" of other boards and commissions, like the Historic District Commission, is limited by the provision that "All boards and commissions only shall be advisory to the Council."

and that,

> the City exceeded the limitations of its Charter to the degree it authorized the Historic District Commission to exercise final approval authority over the Project. The FMC purports to grant the Historic District Commission "final authority relating to the design and architecture" of "[a]ll new office, industrial, commercial and residential structures," which includes the Project. (Pet. RJN Exh. C [RJN000060, FMC § 17.52.300.) The FMC also purports to authorize the Historic District Commission to carry out the City's CEQA compliance with regard to the Project, directing that the Commission "shall not approve applications prior to considering the applicable environmental document and complying with the requirements of CEQA[.]" (Id. at RJN000062, FMC § 17.52.390.) Approvals by the Historic District Commission may be appealed to the City Council, as the Project was here, but the Council is not required to review them. (Id. at RJN000083-83, FMC §§ 17.52.700-720.) These provisions purport to vest the Historic District Commission with the power to act on behalf of the City, without oversight or ratification by the City Council. They therefore cannot be squared with the Charter's limitation that the Commission's power is "only advisory." The City offers no authority or argument that the Historic District Commission acted in an "advisory" capacity when it approved the Project at issue here. **Thus, the provisions of the FMC which purport to delegate final approval authority to the Historic District Commission, as applied to the Project, conflict with the City Charter**.

(Superior Court of California, County of Sacramento, Case No. 23WM000125; *Final Ruling on Submitted Matter*, October 31, 2025. Emphasis added.)

In my comments to the City Council on October 14, 2025, I urged the Council to recognize that, "any revisions to FMC 17.52 that modify or expand the purported final authority of the HDC would exacerbate the existing FMC 17.52 conflict with City Charter section 4.07," noting the proposed amendments to 17.52.360 expanding the HDC's final authority role to include "expiration and extension of [conditional use] permits," FMC 17.52.370 expanding the HDC's final authority role to include "expiration and extension of [variance] requests," and expanding the HDC's final authority role in acting as the appeal hearing body pursuant to FMC 17.52.700 for the proposed new design review authority of the CDD Director established by FMC 17.52.300(B).

Although a 90-day statute of limitations to challenge the expanded HDC final authority of the amendments adopted by the Council on October 28, 2025, has expired, and the ruling in Case #23WM000125 pertained to that particular project, any re-adoption of amendments to FMC 17.52 that involve a modification or expansion of HDC authority that cannot be squared with the Charter's limitation that the HDC's power is only advisory may be subject to legal challenge for a 90-day period pursuant to Gov. Code, § 65009, subd. (c)(1). I expect that the Project amendments could be *rescinded* to restore FMC 17.52 to its pre-2026 language without subjecting the code to potential challenge under Gov. Code, § 65009, subd. (c)(1).

Any amendments to FMC 17.52 should include changes to ensure that the roles allocated to the HDC are in accordance with the limitations imposed by Charter Section 4.07. Alternatively, the city should consider amending the FMC 17.52 appeal procedures in a manner to alleviate the issues associated with granting final authority to the HDC.

Given that the City Council is presently pursuing a ballot measure attempting to modify Charter Section 4.07, the outcome of which will be known in November of this year, it would seem prudent for the City to rescind Ord. 1353 and reinstall the pre-2026 FMC 17.52 until such time

as the Council either abandons the ballot measure or until the election determines whether the Charter will be amended by the voters and what amendments to FMC 17.52 may or may not be then warranted.

**5. Conclusion**

I encourage the City Council rescind Ord. 1353, restore FMC 17.52 to its prior content. Short of that, I encourage the City Council to consider amending FMC 17.52.300 as suggested in my 7/13/2026 letter in an effort to resolve key CEQA concerns.

Thank you for considering my comments.

Sincerely,

Bob Delp
Historic District - Folsom, CA 95630 - bdelp@live.com - 916-812-8122

Attachment 1: January 10, 2024, HDC Design Review Conditions of Approval for 403 Riley Street External Staircase

Attachment 2: September 11, 2018, Staff Design Review Approval for Patio at 614 Sutter Street

Attachment 3: May 8, 2026, Staff Design Review Approval for Deck at 405 Sutter Street

Attachment 4: July 2, 2026, email from Nathan Stroud Subject, *Re: 512 Natoma St. Folsom Reroof Project*

**Attachment 1**

**January 10, 2024, HDC Design Review Approval of 403 Riley Street External Staircase**

| CONDITIONS OF APPROVAL FOR THE 403 RILEY STREET STAIRCASE PROJECT (DRCL23-00168) | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **GENERAL REQUIREMENTS** | **When Required** | **Responsible Department** |
| 1. | | Issuance of a Building Permit is required. The applicant shall submit final site and building plans to the Community Development Department that substantially conform to the Proposed Site Plan, Floor Plan, and Elevations dated 11-8-23, included in Attachment 5. Implementation of this project shall be consistent with the above referenced items as modified by these conditions of approval. | B | CD (B) |
| 2. | | Compliance with all local, state and federal regulations pertaining to building construction and demolition is required. | OG | CD (B) |
| 3. | | This approval is for a new rear staircase on an existing residential structure located at 403 Riley Street. The applicant shall submit building plans that comply with this approval and the Proposed Site Plan, Floor Plan, and Elevations dated 11-8-23 included in Attachment 5. | B | CD (P) |
| 4. | | Include in the construction documents the design and details of the rated separation between the units or other means to mitigate the limited existing separation to the satisfaction of the Building Official. The construction proposed on the drawings shall be completed prior to the final inspection of the building. | O | CD (B) |
| 5. | | If any archaeological, cultural, or historical resources or artifacts, or other features are discovered during the course of construction anywhere on the project site, work shall be suspended in that location until a qualified professional archaeologist assesses the significance of the discovery and provides recommendations to the City. The City shall determine and require implementation of the appropriate mitigation as recommended by the consulting archaeologist. The City may also consult with individuals that meet the Secretary of the Interior's Professional Qualifications Standards before implementation of any recommendation. If agreement cannot be reached between the project applicant and the City, the Historic District Commission shall determine the appropriate implementation method. | G, I, B | CD (P)(E)(B) |

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| 6. | | In the event human remains are discovered, California Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the county coroner has made the necessary findings as to the origin and disposition pursuant to Public Resources Code 5097.98. If the coroner determines that no investigation of the cause of death is required and if the remains are of Native American Origin, the coroner will notify the Native American Heritage Commission, which in turn will inform a most likely decedent. The decedent will then recommend to the landowner or landowner's representative appropriate disposition of the remains and any grave goods. | G, I, B | CD (P)(E)(B) |
| 7. | | The owner/applicant shall pay all applicable taxes, fees, and charges at the rate and amount in effect at the time such taxes, fees and charges become due and payable. | B | CD (P)(E) |
| 8. | | The City, at its sole discretion, may utilize the services of outside legal counsel to assist in the implementation of this project, including, but not limited to, drafting, reviewing and/or revising agreements and/or other documentation for the project. If the City utilizes the services of such outside legal counsel, the applicant shall reimburse the City for all outside legal fees and costs incurred by the City for such services. The applicant may be required, at the sole discretion of the City Attorney, to submit a deposit to the City for these services prior to initiation of the services. The applicant shall be responsible for reimbursement to the City for the services regardless of whether a deposit is required. | B | CD (P)(E) |
| 9. | | If the City utilizes the services of consultants to prepare special studies or provide specialized design review or inspection services for the project, the applicant shall reimburse the City for actual costs it incurs in utilizing these services, including administrative costs for City personnel. A deposit for these services shall be provided prior to initiating review of the improvement plans or beginning inspection, whichever is applicable. | B | CD (P)(E) |
| 10. | | This project shall be subject to all City-wide development impact fees, unless exempt by previous agreement. This project shall be subject to all City-wide development impact fees in effect at such time that a building permit is issued. These fees may include, but are not limited to, fees for fire protection, park facilities, park equipment, Quimby, Humbug-Willow Creek Parkway, Light Rail, TSM, capital facilities and traffic impacts. The 90-day protest period for all fees, dedications, reservations or other exactions imposed on this project has begun. The fees shall be calculated at the fee rate in effect at the time of building permit issuance. | B | CD (P)(E), PW, PK |

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| 11. | | The owner/applicant agrees to pay to the Folsom-Cordova Unified School District the maximum fee authorized by law for the construction and/or reconstruction of school facilities. The applicable fee shall be the fee established by the School District that is in effect at the time of the issuance of a building permit. Specifically, the owner/applicant agrees to pay any and all fees and charges and comply with any and all dedications or other requirements authorized under Section 17620 of the Education Code; Chapter 4.7 (commencing with Section 65970) of the Government Code; and Sections 65995, 65995.5 and 65995.7 of the Government Code. | B | CD (P) |
| 12. | | The project approval granted under this staff report shall remain in effect for one year from final date of approval (January 10, 2024). If a building permit is not issued within the identified time frame and/or the applicant has not demonstrated substantial progress towards completion of the project, this approval shall be considered null and void. The owner/applicant may file an application with the Community Development Department for an extension not less than 60 days prior to the expiration date of the approval, along with appropriate fees and necessary submittal materials pursuant to Section 17.52.350 of the Folsom Municipal Code. If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, entitlement, demolition permit, or other construction permit required in connection with any of the activities or construction authorized by the project approvals, or to enjoin the project contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the one year period for submitting a complete permit application referenced in FMC section 17.52.350(A) shall be tolled during the time that any litigation is pending, including any appeals. | B | CD (P) |

| RESPONSIBLE DEPARTMENT | | WHEN REQUIRED | |
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**Attachment 2**
**September 11, 2018, Staff Design Review Approval for Patio at 614 Sutter Street**

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

September 11, 2018

Murray Weaver
614 Sutter Street
Folsom CA 95630

SUBJECT: **Approval Letter: Site Design Review Approval for an excavated landscaped patio at 614 Sutter Street (PN18-219)**

Dear Mr. Weaver:

The City of Folsom Community Development Department has reviewed your application (PN 18-219) for an excavated landscaped patio at 614 Sutter Street. The Planning Division has made the decision to conditionally approve the submittal. Listed below are the conditions of approval:

1. A Building Permit and/or Grading Permit will be required.

2. Plans submitted to Building/Engineering shall match those submitted for Site Design Review dated 8-25-18.

3. No alcohol sales or service shall be allowed in the proposed patio area.

4. No cross-lot drainage shall occur as a result of this project.

5. All ADA-accessible paths shall be maintained as part of this project.

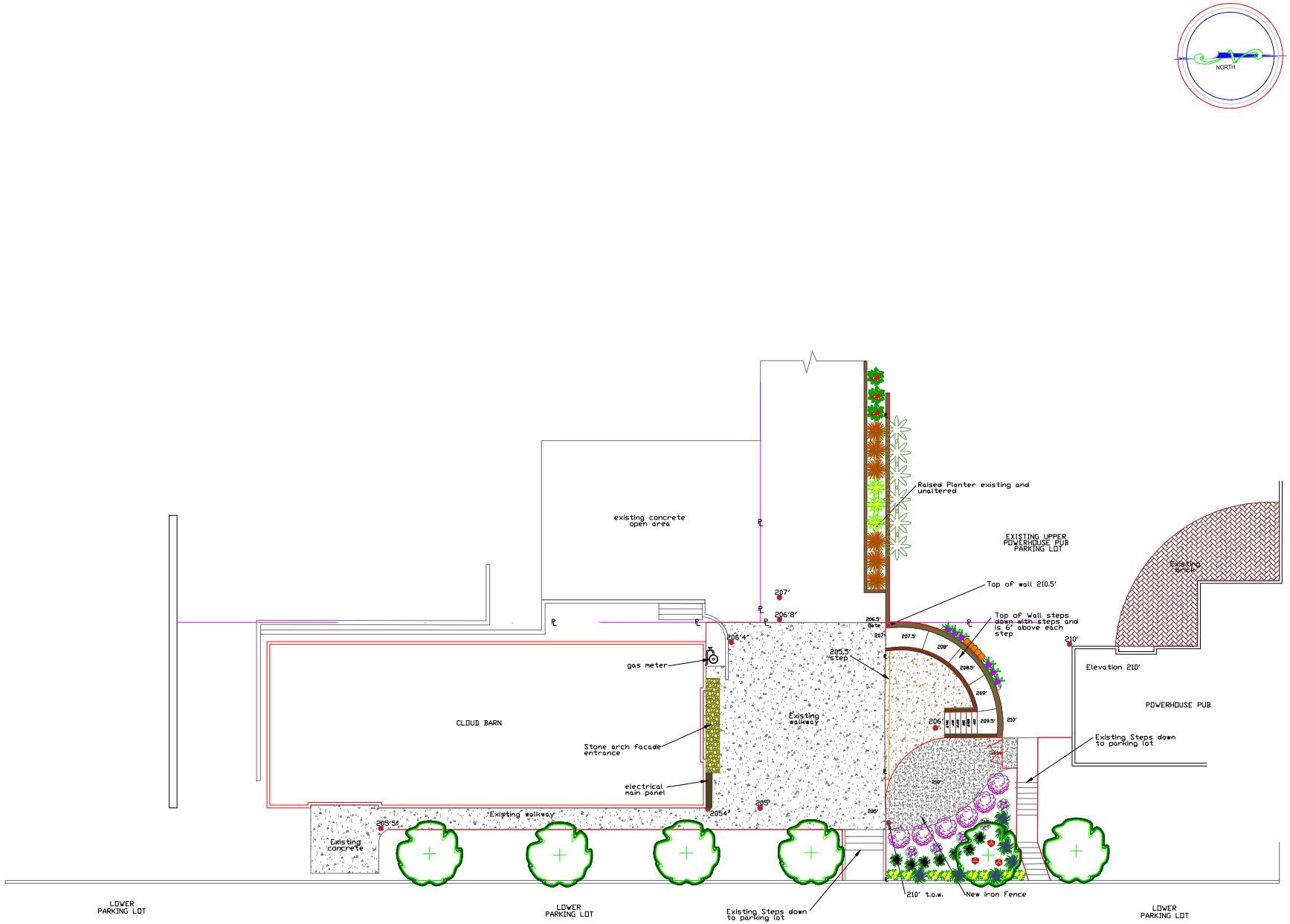
Should you have any questions regarding this letter, please do not hesitate to call me at (916) 461-6209 or email me at jkinkade@folsom.ca.us

Sincerely,

Josh Kinkade
Assistant Planner

# POWERHOUSE PATIO PROJECT

PowerHouse and Scarlets service hundreds of customers every week.This project will create a comfortable landscaped patio environment for guests to relax and converse in an existing unused corner of the parking lot.




CAPITAL LANDSCAPE

1380 Lead Hill Blvd Suite 106
Roseville, CA 95661
916-783-5500 Office
916-783-5090 Fax

DISCLOSURES

Landscape Design concept is diagrammatic. Actual site conditions take precedence over design concept. Measurements are approximate and do not replace the place of an engineer's survey.

Capital Landscape is not responsible for any modifications or adjustments of the Design concept that may be necessary by the homeowner or contractor to execute the design.

| DATE | REVIEW |
|---|---|
| 2/21/18 | redesigned steps, sized up structure |
| 3/08/18 | redesigned steps,moved structure,changed shape |
| 8/25/18 | removed items, labeled existing items |

# Powerhouse Pub Addition

DATE: 03/01/18

SCALE: 1/8"=1'

1/8" = 1'-0"

AREA LANDSCAPE

DESIGNER
CLAYTON J. WINTER

SHEET NUMBER
1 of 1

**Attachment 3**
**May 8, 2026, Staff Design Review Approval for Deck at 405 Sutter Street**

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

May 8, 2026

# Approval Letter: Design Review of a 198 square-foot new deck and replacement of a window and door at 405 Sutter St. (DRDL26-00062)

The City of Folsom Community Development Department has reviewed an application for Design Review for project reference number: DRDL26-00062. The project involves Design Review of a 198 square-foot new deck and replacement of a window and door at 405 Sutter St. The project is located in the Figueroa Subarea of the Historic District.

The Community Development Department has made the decision to conditionally approve the application based on the following findings:

- The project is compliant with the General Plan, the Zoning Ordinance, and all applicable Specific Plans, including but not limited to standards for the Figueroa Subarea of the Historic District specified in Folsom Municipal Code Chapter 17.52;
- The project is in conformance with all applicable city-wide design guidelines, including but not limited to guidelines for the Figueroa Subarea of the Historic District specified in the Historic District Design and Development Guidelines;
- The project is in conformance with all applicable project-specific design guidelines and standards approved through the Planned Development Permit process or similar review process;
- The project provides compatibility of building materials, textures, and colors with surrounding development and consistency with the general design theme of the neighborhood;
- The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15301 (Existing Facilities) of the CEQA Guidelines.

The project is subject to the attached condition(s) of approval. The application is subject to a ten-day appeal period which commences on May 8, 2026, and ends on May 18, 2026. The submittal remains subject to review and approval by the following City departments: Building, Structural, Fire, Utilities, Arborist, and Engineering. Should you have any questions regarding this letter, please do not hesitate to contact the Planning Division at (916) 461-6202 or PlanningEPC@folsom.ca.us.

Best regards,

Nathan Stroud
Planning Division
Community Development Department
City of Folsom
PlanningEPC@folsom.ca.us
(916) 461-6202

**Attachments:**

1. Conditions of Approval

| Conditions of Approval for DRDL26-00062 | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **Requirements** | **When Required** | **Responsible Department** |
| **General Requirements** | | | | |
| **1.** | | ***Development Plan***<br>The applicant shall submit final site development plans to the Community Development Department that shall substantially conform to the exhibits submitted to and on file with the Community Development Department, as modified by these conditions of approval. | B | CD (P)(B)(E) |
| **2.** | | ***Community Development Department Subsequent Review***<br>A Building Permit is required. Prior to issuance of a building permit, all proposed encroachment, grading and retaining walls shall be permitted and completed. Building plans, and all civil engineering, improvement, landscape, and irrigation plans shall be submitted to the Community Development Department for review and approval to ensure conformance with this approval and with relevant codes, policies, standards and other requirements of the City of Folsom. | G, I, B | CD (P)(B)(E) |
| **3.** | | ***Substantial Consistency Required***<br>Substantial changes to the exterior of the project, including but not limited to changes in colors, materials, style, size, and/or layout of the project, as determined by the Community Development Department, may result in the termination of this approval. Changes to the project are subject to review and approval by the Community Development Department. | OG | CD (P)(B)(E) |
| **4.** | | ***Validity (Design Review, Historic District)***<br>The project approval granted under this staff report shall remain in effect for two years from final date of approval (**Expires May 8, 2028).** Failure to obtain the relevant building or other permits within this time period, without the subsequent extension of this approval, shall result in the termination of this approval. The owner/applicant may file an application with the Community Development Department for an extension not less than 60 days prior to the expiration date of the approval, along with appropriate fees and necessary submittal materials pursuant to Folsom Municipal Code Section 17.52.350. | B | CD (P) |

| Conditions of Approval for DRDL26-00062 | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **Requirements** | **When Required** | **Responsible Department** |
| **5.** | | ***Applicable Taxes, Fees, and Charges***<br>The owner/applicant shall pay all applicable taxes, fees and charges for the project at the rate and amount in effect at the time such taxes, fees and charges become due and payable. | I, B, M | CD (P)(E) |
| **Project-Specific Requirements** | | | | |
| **6.** | | ***Trim Requirements***<br>Trim shall be provided around the doors and windows, and shall substantially match the existing trim of the residence to the satisfaction of the Community Development Department. | O | CD (P) |
| **Legal Requirements** | | | | |
| **7.** | | ***Indemnity for City***<br>The owner/applicant shall defend, indemnify, and hold harmless the City and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void, or annul any approval by the City or any of its agencies, departments, commissions, agents, officers, employees, or legislative body concerning the project which claim, action or proceeding is brought within the time period provided therefore in Government Code Section 66499.37 or other applicable statutes of limitation. The City will promptly notify the owner/applicant of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within its unlimited discretion, participate in the defense of any such claim, action or proceeding if both of the following occur:<br>• The City bears its own attorney's fees and costs; and<br>• The City defends the claim, action or proceeding in good faith<br><br>The owner/applicant shall not be required to pay or perform any settlement of such claim, action or proceeding unless the settlement is approved by the owner/applicant. | OG | CD (P)(E)(B) PW, PR, FD, PD |

| Conditions of Approval for DRDL26-00062 | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **Requirements** | **When Required** | **Responsible Department** |
| **8.** | | ***Tolling on Litigation***<br>If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, entitlement, demolition permit, sign permit or other construction permit required in connection with any of the activities or construction authorized by the project approvals, or to enjoin the project contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the period for submitting a complete permit application shall be tolled during the time that any litigation is pending, including any appeals. | | |
| **Miscellaneous Requirements** | | | | |
| **9.** | | ***Alleyway Parking Restrictions***<br>If the property has access to an alleyway, parking for the property shall not impede public service access in the alleyway (e.g., waste collection, emergency vehicle access, etc.). | OG | CD (P) |
| **10.** | | ***Noise Requirements (Construction and Operational)***<br>Compliance with Noise Control Ordinance and General Plan Noise Element shall be required. Hours of construction operation shall be limited from 7:00 a.m. to 6:00 p.m. on weekdays and 8:00 a.m. to 5:00 p.m. on Saturdays. No construction is permitted on Sundays or holidays. Construction equipment shall be muffled and shrouded to minimize noise levels. | DC | CD (P) |

| Responsible Department | | When Required | |
|---|---|---|---|
| CD | Community Development Department | B | Prior to Issuance of first Building Permit |
| (P) | Planning Division | G | Prior to Issuance of Grading Permit |
| (B) | Building Division | I | Prior to Approval of Improvement Plans |
| (E) | Engineering Division | M | Prior to Approval of Final Map |
| (A) | Arborist Division | O | Prior to Approval of Occupancy Permit |
| PW | Public Works Department | DC | During Construction |
| PR | Parks and Recreation Department | OG | On-Going Requirement |
| PD | Police Department | | |
| FD | Fire Department | | |

**Attachment 4**

**July 2, 2026, email from Nathan Stroud Subject, *Re: 512 Natoma St. Folsom Reroof Project***

From: **Nathan Stroud** <nstroud@folsom.ca.us>
Date: Thu, Jul 2, 2026 at 8:17 AM
Subject: RE: 512 Natoma St. Folsom Reroof Project
To: Robert Walter <[redacted]>
CC: Michael Reynolds <[redacted]>, Desmond Parrington <dparrington@folsom.ca.us>

Good morning Robert,

To provide some more background regarding this property, the guest house they are referring to (before and after pictures attached) was erroneously issued a permit for the reroof without review by the Planning Division. Had we reviewed the project, we would not have allowed black comp shingles and would have required they stay with the red Spanish tiles, as is consistent with the Spanish eclectic style.

They have now come in for another reroof for the main Miller Funeral Home building, which was routed correctly this time, and have been asked to undergo design review. They have provided the justification that the black shingles are intended to match the, now, two existing black comp shingled buildings on the lot. They have also claimed that underneath the existing roof, there appears to be a layer of comp shingles, likely the original roof before the building was remodeled to match the original Spanish eclectic guest house on the corner. There do appear to also be some examples of a Spanish eclectic houses in the district with comp shingles (two examples attached), although this is not typical with that style.

Staff's position is that red Spanish tile or similar would need to be used on the building, however we have directed the applicant to get feedback or support from HFRA and HPL. If that is your position as well, that would help convince them to go this direction. If you disagree, this will help inform staff for this and future projects of a similar scope.

Regards,
Nathan

**Nathan R. Stroud**
*Associate Planner*
**City of Folsom**
50 Natoma Street, Folsom, CA 95630
nstroud@folsom.ca.us
o:916-461-6220
**www.folsom.ca.us**

**ATTENTION: Starting October 20, 2025, all NEW permits will be reviewed through eTRAKiT and not through ProjectDox.**
**All permits submitted prior to October 20, 2025, will remain in ProjectDox until approved. Please visit the ePermit Center or see Forms B402, B403, and B404 for more information.**

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11664 – A Resolution Authorizing the City Manager to Execute Construction Change Order No. 2 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project from the Facility Rehabilitation Fund (Fund 602) and Appropriation of Funds |
| **FROM:** | Parks and Recreation Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Facility Services Division recommends that City Council approve Resolution No. 11664 – A Resolution Authorizing the City Manager to Execute Construction Change Order No. 2 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project from the Facility Rehabilitation Fund (Fund 602) and Appropriation of Funds.

## BACKGROUND / ISSUE

As part of the FY 25/26 budget process, the City Council approved the Library HVAC Replacement Project. On October 28, 2025, the City Council approved Resolution No. 11490, authorizing the City Manager to execute a construction agreement with LEED Mechanical Inc. for a not-to-exceed amount of $305,703 for the replacement of 9 roof-top HVAC units serving the Folsom Public Library at 411 Stafford Street.

As construction progressed and the HVAC units were installed, follow-up testing within the library revealed an existing controller unit that does not sync properly with the newly installed VAV (Variable Air Volume) units, which control the amount of air moving through the system. Currently, the units are controlled by thermostats that are divided between separate zones within the library, which results in uneven cooling, which is not ideal for a building that is the “Cooling Center” for the city.

Staff requested a cost proposal from LEED Mechanical for the installation of an HVAC controller to manage the newly installed Rooftop Air Conditioning (HVAC) units serving the Folsom Public Library, and the contractor provided a cost of $69,300.

## 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 $77,426 or greater shall be awarded by the City Council.

## ANALYSIS

Staff have reviewed the costs for the additional scope of work to install a new HVAC controller and found the price is appropriate and consistent with expected costs for this scope of work. The original estimated cost for the HVAC replacement work was $1,100,000, so while the addition of this change order work exceeds the original not-to-exceed amount, it is still a substantial cost savings from what was originally anticipated for the project.

Installing a new controller will allow the system to operate as designed. The controller is compatible with similar controllers at City Hall and the Community Center and will allow facilities staff to monitor the system remotely and make settings changes to better serve library activities.

The City Council's approval of Resolution No. 11490 authorized the execution of the original contract with LEED Mechanical, Inc., for $277,911, with the project budgeted at a total not to exceed amount of $305,703, which included a 10% contingency of $27,792 for potential change orders. One prior change order has been approved for the project in the amount of $12,947; therefore, the staff recommends that the remaining contingency balance of $14,845 be utilized for this effort. An additional appropriation of $54,455 is required for Change Order No. 2, bringing the new total not-to-exceed contract amount to $360,158.

## FINANCIAL IMPACT

If approved, the construction change order with LEED Mechanical, Inc. for the purchase and installation of the new HVAC control system for the amount of $69,300 would be funded through the Facility Rehabilitation Fund (Fund 602). An appropriation in the amount of $54,455 will be required for the change order. Sufficient funds are available in the Facility Rehabilitation Fund (Fund 602) for this appropriation.

## ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines Section 15301- Existing Facilities.

## ATTACHMENT

Resolution No. 11664 – A Resolution Authorizing the City Manager to Execute Construction Change Order No. 2 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project from the Facility Rehabilitation Fund (Fund 602) and Appropriation of Funds.

Submitted,

Kelly Gonzalez
Parks & Recreation Director

Attachment 1

# RESOLUTION NO. 11664

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONSTRUCTION CHANGE ORDER NO. 2 WITH LEED MECHANICAL INC. IN THE AMOUNT OF $69,300 FOR THE FOLSOM PUBLIC LIBRARY HVAC REPLACEMENT PROJECT FROM THE FACILITY REHABILITATION FUND (FUND 602) AND APPROPRIATION OF FUNDS

**WHEREAS,** Resolution 11490 authorized the City Manager to execute a construction agreement with LEED Mechanical Inc. for $277,911 with the project budgeted for a total not to exceed amount of $305,703, which included a ten percent contingency for potential change orders, for the Folsom Public Library HVAC Replacement Project; and

**WHEREAS,** City staff identified the need for extra work following the initial HVAC installation to install a new controller that was outside the scope of the original contracted work; and

**WHEREAS,** LEED Mechanical, Inc. provided a cost for the proposed Construction Change Order No. 2 in the amount of $69,300; and

**WHEREAS,** funds in the amount of $14,845 from the original contingency authorization are available for use on this change order work; and

**WHEREAS,** sufficient funds are available in the Capital Facilities Fund (Fund 602) to cover the remaining cost of the proposed change order work; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the City Council authorizes the City Manager to execute Construction Change Order No. 2 with LEED Mechanical Inc. in the amount of $69,300 for the Folsom Public Library HVAC Replacement Project to install a new HVAC controller unit for a new total not-to exceed contract amount of $360,158.

**BE IT FURTHER RESOLVED** that the Chief Financial Officer is authorized to appropriate $54,455 in the Facility Rehabilitation Fund (Fund 602) to cover the cost of the change order.

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____

Christa Freemantle, CITY CLERK

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11674 – A Resolution Authorizing the City Manager to Accept a Cannabis Tax Fund Grant Program offered by the California Highway Patrol in the Amount of $164,349.56, to Reduce and Mitigate the Impacts of Impaired Driving, Provide DUI Enforcement and Training, Purchase a Police Vehicle, and Appropriation of Funds in the General Grant Fund (Fund 012) |
| **FROM:** | Police Department |

## RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council pass and adopt Resolution No.11674 – A Resolution Authorizing the City Manager to Accept a Cannabis Tax Fund Grant Program offered by the California Highway Patrol in the Amount of $164,349.56, to Reduce and Mitigate the Impacts of Impaired Driving, Provide DUI Enforcement and Training, Purchase a Police Vehicle, and Appropriation of Funds in the General Grant Fund (Fund 012).

## BACKGROUND / ISSUE

### *Enhancing Road Safety Through Proactive Measures*

From 2020 to 2024, Folsom experienced collisions involving impaired drivers, resulting in injuries and fatalities. However, in 2025, thanks to proactive saturation patrols and DUI checkpoints funded by grants, the city saw a **30% decrease in DUI-related traffic collisions (over 2024) with zero DUI related fatalities**. Officers conducted 205 arrests for driving under the influence during patrol operations, four DUI checkpoints and 17 DUI saturation patrols. These efforts are part of a broader commitment to ensuring our streets are safe for everyone.

*Securing Funding for Future Initiatives*

To further these safety goals, the Folsom Police Department successfully applied for a **State of California grant** from the California Highway Patrol. In July 2026, the department was awarded **$164,349.56**. This funding is crucial and will be used for:

- **DUI checkpoints** and other enforcement activities.
- **Educational presentations** for school groups to promote safe driving.
- **The purchase of specialized equipment** for checkpoints.
- **The acquisition of a new police vehicle** (Ford Interceptor) for traffic and DUI enforcement.

This grant will allow the police department to continue its proactive approach to road safety, building on the progress already made and ensuring Folsom remains a safe community.

## POLICY / RULE

City Council Resolution 8367 states that grant applications, including any requiring an ongoing commitment of resources or staff, shall be reviewed and approved by the City Council prior to submittal.

## ANALYSIS

Law Enforcement grants provide financial assistance to allied agencies for the education, prevention, and the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis and cannabis products. The intent of these programs is to educate the public regarding the dangers of impaired driving, enforce impaired driving laws on the roadway, and improve the Organization/Agency's effectiveness through training and development of new strategies. Each of these action items will help reduce the number of DUI collisions and hopefully lower the Blood Alcohol Concentration (BAC) level found during arrests.

## FINANCIAL IMPACT

The State of California through the Department of the California Highway Patrol awarded the City grant funding in the amount of $164,349.56 with no local matching funds required. If accepted, the grant award would increase revenue estimates and appropriations by $164,349.56 in the General Grant Fund (Fund 012). Costs would be funded initially through the General Grant Fund (Fund 012) and reimbursed by the State of California, Department of California Highway Patrol.

**ATTACHMENTS**

1. Resolution No. 11674 – A Resolution Authorizing the City Manager to Accept a Cannabis Tax Fund Grant Program offered by the California Highway Patrol in the Amount of $164,349.56, to Reduce and Mitigate the Impacts of Impaired Driving, Provide DUI Enforcement and Training, Purchase a Police Vehicle, and Appropriation of Funds in the General Grant Fund (Fund 012)
2. Department of California Highway Patrol conditional approval funding letter

Submitted,

_____

Adam Green, Chief of Police

Attachment 1

# RESOLUTION NO. 11674

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A CANNABIS TAX FUND GRANT PROGRAM OFFERED BY THE CALIFORNIA HIGHWAY PATROL IN THE AMOUNT OF $164,349.56, TO REDUCE AND MITIGATE THE IMPACTS OF IMPAIRED DRIVING, PROVIDE DUI ENFORCEMENT AND TRAINING, PURCHASE A POLICE VEHICLE, AND APPROPRIATION OF FUNDS IN THE GENERAL GRANT FUND (FUND 012)

**WHEREAS,** the City of Folsom Police Department is requesting the City Council authorize the acceptance of a grant titled "FY26/27 CTFGP Law Enforcement – Folsom Police Department" for the period of July 1, 2026, through June 30, 2027, from the State of California, Department of California Highway Patrol, in the amount of $164,349.56; and,

**WHEREAS,** selective enforcement of the primary causes of collisions are an effective way to deter motorists would speed, drive while under the influence of alcohol and other drugs, including cannabis and cannabis products, or otherwise drive unsafe, thereby reducing fatal and injury collisions; and,

**WHEREAS,** the grant monies will be used to reimburse personnel overtime costs associated with selective traffic enforcement and the training of officers in the detection, apprehension and prosecution of impaired drivers; and,

**WHEREAS,** the grant monies will be used to conduct community outreach programs through school presentations and "Know Your Limits" campaigns; and,

**WHEREAS,** the grant monies will be used to purchase equipment used for DUI checkpoints, a police DUI enforcement vehicle including communication radio and associated emergency equipment.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom herby authorizes the acceptance of a grant titled "FY26/27 CTFGP Law Enforcement – Folsom Police Department" for the period of July 1, 2026, through June 30, 2027, from the State of California, Department of California Highway Patrol, which will provide funding to conduct selective traffic enforcement geared at reducing the number of fatal and injury collisions in the City and provide funding for a traffic enforcement vehicle. The City Manager or his designee is hereby authorized and empowered to accept and execute in the name of the City of Folsom all necessary contracts, agreements, amendments, and payment requests hereto for the purposes of accepting and fulfilling the requirements of the grant titled "FY26/27 CTFGP Law Enforcement - Folsom Police Department."; and,

**BE IT FURTHER RESOLVED** that the City Council of the City of Folsom authorizes the Finance Director to increase revenue estimates and expenditure appropriations by the grant amount of $164,349.56 in the General Grant Fund (Fund 012) to be reimbursed by the State of California, Department of the California Highway Patrol.

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll call vote:

**AYES:** Councilmembers:
**NOES:** Councilmembers:
**ABSENT:** Councilmembers:
**ABSTAIN:** Councilmembers:

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

State of California-Transportation Agency GAVIN NEWSOM

**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
**601 North 7th Street**
**Sacramento, CA 95811**
**(916) 843-4360**
**(800) 735-2929 (TT/TDD)**
**(800) 735-2922 (Voice)**

June 30, 2026

File No.: 060.17344.19741

Officer Kyle Rader
Folsom Police Department
46 Natoma Street
Folsom, CA 95630

Dear Officer Rader:

On behalf of the California Highway Patrol (CHP), it is my pleasure to inform you, the Folsom Police Department, is conditionally approved for Cannabis Tax Fund Grant Program (CTFGP) funding in the amount of $164,349.56. The purpose of this grant funding is to help your agency reduce and mitigate the impacts of impaired driving in your community.

All grant awards, including any adjustments to requested funding, were made by the Department based on the merits of the Grant Application, scale of operation, and in accordance with the Request for Application (RFA) requirements and associated regulations.

The official Grant Agreement for signature is forthcoming. In order to execute your Grant Agreement, please provide documentation from a local governing body, authorizing your organization to receive this grant funding, to the Cannabis Grants Unit, by email at CGUGrants@chp.ca.gov, as soon as possible. Refer to California Code of Regulations Title 13, Division 2, Chapter 13, Section 1890.13(g) for additional information.

The CHP looks forward to partnering with you and your agency on this project in an effort to make California's roadways a safer place to travel. If you have any questions, please feel free to contact the Cannabis Grants Unit at (916) 843-4360.

Sincerely,

*For/*

M. W. HEADRICK, Chief
Enforcement and Planning Division

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11676 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent for the Seventh Cycle Housing Element Update and Appropriation of Funds |
| **FROM:** | Community Development Department |

## RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council pass and adopt Resolution No. 11676 - A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent for the Seventh Cycle Housing Element Update and Appropriation of Funds.

## BACKGROUND / ISSUE

The Housing Element is one of seven mandatory elements of the City of Folsom General Plan and plays a critical role in planning for a variety of housing opportunities including those for households with lower incomes. State requirements for Housing Elements are set forth in Government Code Sections 65580–65589 and include mandatory review and certification by the California Department of Housing and Community Development (HCD). Unlike other General Plan elements, the Housing Element must be updated every eight years.

The City's current Housing Element was adopted in August 2021 and covers the 2021–2029 planning period, which concludes on May 15, 2029. The upcoming Seventh Cycle Housing Element will cover the 2029–2037 time period and will require a reassessment of the City's housing goals, policies, and programs.

Even though the Seventh Cycle does not start until 2029, the process handled by the HCD and the Sacramento Area Council of Governments (SACOG) to determine the Regional Housing Needs Allocation (RHNA) has begun and SACOG has scheduled the first RHNA Cycle 7

Technical Advisory Council (TAC) meeting for August 18, 2026, marking the start of the regional coordination and methodology development process. SACOG's RHNA implementation timeline for Cycle 7 is illustrated in the Figure 1 below.

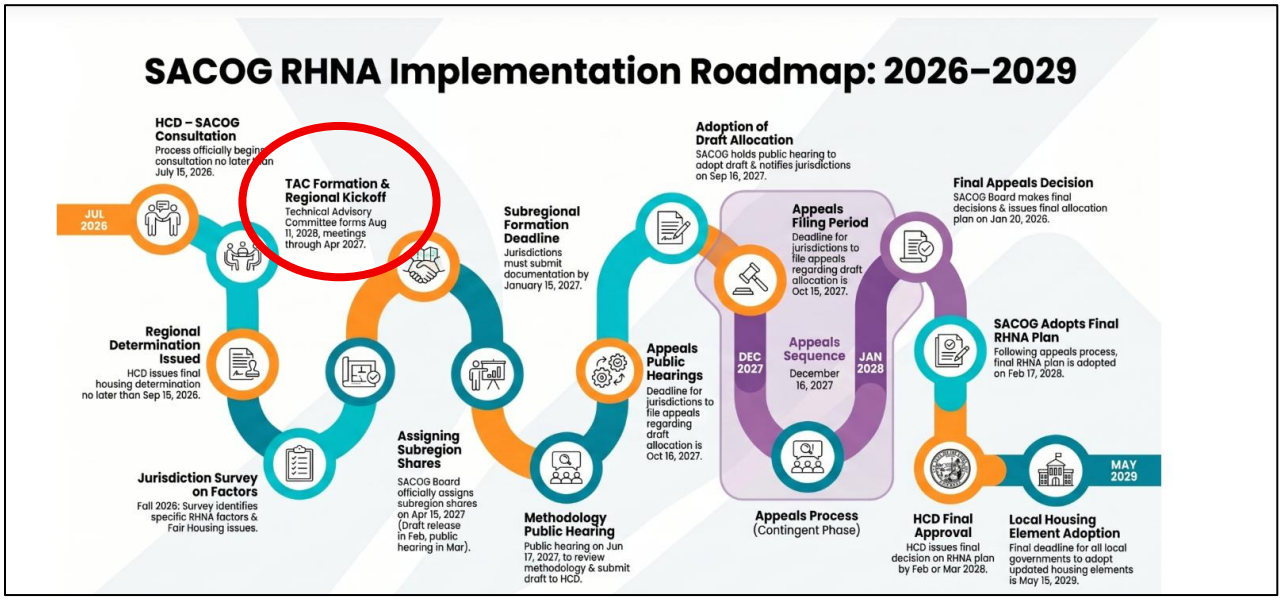



*Figure 1: SACOG RHNA Implementation Roadmap*

The Seventh Cycle is expected to include a potentially higher RHNA allocation, increased HCD scrutiny of sites inventory methodology, expanded fair housing analysis requirements, and new standards for acutely and extremely low-income households. The City must also implement Senate Bill 79 (SB 79), which went into effect on July 1, 2026, and requires allowance of higher-density transit-oriented development near light rail stations.

To prepare a compliant Housing Element, the City must update demographic and housing needs data, revise the sites inventory, evaluate governmental and non-governmental constraints, and develop programs supporting housing opportunities for all income levels. The update must also include a comprehensive Affirmatively Furthering Fair Housing (AFFH) analysis, addressing access to opportunity, segregation patterns, contributing factors, and barriers to housing choice.

This update will build upon the City's 2024 General Plan Update and its Subsequent Environmental Impact Report (SEIR), which fulfilled Program H2 of the current Housing Element by increasing residential densities and overall housing capacity. Robust community engagement will also be required to involve residents, stakeholders, and decision-makers in shaping the Housing Element's goals and policies.

Consultant expertise and support is needed to complete the required technical analyses, drafting, outreach, policy development, and CEQA documentation tiered from the General Plan SEIR, as well as coordination with HCD throughout the review and certification process. With assistance from City staff, the consultant will prepare the Seventh Cycle Housing

Element in compliance with Government Code Section 65583. The work will include at a minimum the following tasks:

- Reviewing and updating goals, policies, and programs for consistency with the General Plan, the Zoning Code, and State Law
- Analyzing recent state housing legislation
- Updating housing needs and demographic projections
- Preparing a sites inventory
- Assessing housing conditions and special needs
- Updating the fair housing assessment to reflect current conditions
- Evaluating governmental and non-governmental constraints
- Recommending policy initiatives and programs to expand affordable housing opportunities
- Preparing CEQA documentation to demonstrate consistency with the General Plan SEIR

This resolution authorizes the City Manager to execute a Professional Services Agreement with Ascent for preparation of the Seventh Cycle Housing Element Update in the amount not to exceed $297,245 funded by the Folsom Housing Fund (Fund 238).

## POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, professional services contracts of $77,426 or greater shall be approved by the City Council.

## ANALYSIS

As previously indicated, the Seventh Cycle Housing Element update presents several challenges for the City. The City of Folsom enters this cycle with a strong foundation: a certified Sixth Cycle Housing Element and a series of strategic amendments to the General Plan and the Folsom Plan Area Specific Plan that increased residential capacity near light rail stations, along the East Bidwell corridor, and within the Town Center of the Folsom Plan Area. The City also secured several deed restricted multifamily sites in the Folsom Plan Area Specific Plan and purchased a few properties for future housing development using Housing Funds.

The Seventh Cycle will introduce several new challenges, including a likely increase in the City's RHNA allocation compared to the Sixth Cycle, intensified HCD scrutiny of sites-inventory methodologies, a more stringent AFFH standard, and new requirements addressing acutely and extremely low-income households. These additions reflect the State's growing recognition that the housing needs of the lowest-income residents (including individuals experiencing or at risk of homelessness) differ significantly from those of other income groups and require targeted analysis and policy solutions. The City must also comply with SB 79, which requires higher-density, transit-oriented development near Folsom's light rail stations. Given these factors, it is essential for the City to partner with a consultant team

that has statewide housing expertise and a strong understanding of both the challenges and opportunities anticipated during this planning cycle.

A Request for Proposals (RFP) for the Seventh Cycle Housing Element Update was issued on May 20, 2026, and was published on the City's website, posted on a third-party bid platform, and emailed to five local consulting firms experienced in housing element updates. Four complete proposals, plus one subconsultant proposal, were received by the June 22, 2026 deadline. The subconsultant proposal was reviewed; however, it was not considered because it did not meet the requirements outlined in the RFP.

A review panel of Community Development Department staff independently evaluated and scored the four complete proposals submitted by Ascent, 4Leaf, Mintier Harnish, and Precision Civil Engineering. Evaluations were based on criteria such as relevant experience, qualifications of the proposed team, understanding of the issues, proposed project scope, and public outreach approach. Proposal evaluation scores were assigned on a 100-point scale and are summarized below in Table 1.

**Table 1: Consultant Proposal Evaluation**

| Consultant | CD1 | CD2 | CD3 | Average |
|---|---|---|---|---|
| Ascent | 98 | 98 | 93 | 96.3 |
| 4Leaf | 50 | 58 | 34 | 47.3 |
| Mintier Harnish | 83 | 85 | 85 | 84.3 |
| Precision Civil Engineering | 65 | 54 | 65 | 61.3 |

After reviewing each of the four complete proposals for project understanding, qualifications, deliverables, and project team staffing, the proposals were reviewed for project costs. The fee schedules for the scope of work outlined in the request for proposals from each consultant are shown in Table 2.

**Table 2: Consultant Project Costs**

| Consultant | Contract amount | Contingency | Total |
|---|---|---|---|
| Ascent | $267, 245 | $30,000 | $297,245 |
| 4Leaf | $301,160 | $21,830 | $322,990 |
| Miniter Harnish | $242,165* | $24,217 | $266,382 |
| Precision Civil Engineering | $136,710 | $19,550 | $156,260 |

**Proposal did not include CEQA compliance cost in total estimated contract cost and identified as additional cost ($10,000 to $100,000) based on level of review.*

Staff determined that Ascent offers the best overall value to the City based on the strength of their proposal, the qualifications of their project team, their extensive experience with similar projects, and the competitiveness of their fee. Their proposal demonstrated a deep understanding of the Housing Element Update and reflected substantial past work completed for the City.

A major factor that distinguished Ascent from the other firms was their identification of three key tasks that no other proposal addressed:

- Specialized analysis of SB 79 impacts on the Housing Element Update.
- Recognition that tribal consultation will be required as part of the update process.
- Commitment to ensuring all final documents are ADA compliant.

By proactively addressing these items, Ascent demonstrated a more complete and forward-looking understanding of the project requirements. This led to Ascent receiving higher evaluation scores than the other proposals.

The proposed consultant agreement totals $297,245. Ascent's project manager brings exceptional experience, having prepared more than 70 housing elements throughout California, including the City's 2009, 2013, and 2021 Housing Elements. Ascent also played a key role in preparing the City's 2035 General Plan and in implementing Housing Element Program H-2, which increased densities in targeted areas. Their strong familiarity with the City's long-range planning framework, such as mixed-use corridors, transit priority areas, and infrastructure and service capacity considerations, positions them well to guide the upcoming Housing Element Update.

Considering the complexity of this update, Ascent's depth of experience, and the thoroughness of their fee proposal, Ascent is recommended as the most qualified and cost-effective firm for the project.

## FINANCIAL IMPACT

If approved, the consultant agreement with Ascent for the Seventh Cycle Housing Element Update would be in the amount of $267,245, including a contingency of $30,000, for a total not-to-exceed amount of $297,245. An appropriation in the amount of $297,245 in the Folsom Housing Fund (Fund 238) is required for the agreement. Sufficient funds are available in the Folsom Housing Fund (Fund 238) to cover the cost of the agreement. The project does not impact the City's General Fund.

## ENVIRONMENTAL REVIEW

Execution of the consultant contract for the Housing Element Update is not considered a "project" under the California Environmental Quality Act (CEQA) because it constitutes an administrative action that has no potential to result in a physical impact on the environment. Consistent with CEQA Guidelines Section 15061(b)(3), there is no possibility that approving this contract will cause a direct or reasonably foreseeable physical change in the environment. Therefore, the contract is exempt from environmental review.

The Housing Element Update itself will undergo the required CEQA analysis, and the appropriate environmental document will be prepared prior to its adoption. This environmental

review will be presented to the City Council when the updated Housing Element is brought forward for consideration.

**ATTACHMENTS**

1. Resolution No. 11676 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent for the Seventh Cycle Housing Element Update and Appropriation of Funds

2. Ascent Environmental Scope of Work and Cost Proposal

Submitted,

Pam Johns, Community Development Director

# ATTACHMENT 1

A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Ascent for the Seventh Cycle Housing Element Update and Appropriation of Funds

# RESOLUTION NO. 11676

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ASCENT FOR THE SEVENTH CYCLE HOUSING ELEMENT UPDATE AND APPROPRIATION OF FUNDS

**WHEREAS,** the Housing Element is a mandatory component of the City of Folsom General Plan, must be updated every eight years, and is subject to review and certification by the California Department of Housing and Community Development (HCD); and

**WHEREAS**, the City's current Housing Element covers 2021–2029, and the Seventh Cycle Housing Element (2029–2037) requires updated data, a revised sites inventory, analysis of constraints, an Affirmatively Furthering Fair Housing (AFFH) assessment, and incorporation of new State requirements including Senate Bill 79 regarding higher-density transit-oriented development; and

**WHEREAS**, preparation of the update requires extensive technical work, community engagement, policy development, and CEQA documentation tiered from the City's 2024 General Plan Subsequent Environmental Impact Report (SEIR); and

**WHEREAS**, the City issued a Request for Proposals on May 20, 2026, received four complete responses, and conducted a competitive evaluation based on experience, qualifications, project understanding, and cost; and

**WHEREAS**, Ascent submitted a competitive fee proposal in the amount of $267,245 plus a contingency of $30,000, for a total not-to-exceed amount of $297,245; and

**WHEREAS**, in accordance with Chapter 2.36 of the Folsom Municipal Code, contracts of $77,426 or greater shall be approved by the City Council.

**WHEREAS**, funding will be provided through the Folsom Housing Fund (Fund 238) and will not impact the City's General Fund; and

**WHEREAS**, approval of the consultant agreement is exempt from CEQA under Guidelines Section 15061(b)(3) as an administrative action with no potential environmental impact.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute a Professional Services Agreement with Ascent for preparation of the Seventh Cycle Housing Element Update in the amount of $267,245, including a contingency of $30,000 for a total not-to-exceed amount of $297,245 funded in the Folsom Housing Fund (Fund 238).

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate $297,245 for this agreement in the Folsom Housing Fund (Fund 238).

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

Justin Raithel, MAYOR

**ATTEST:**

Christa Freemantle, CITY CLERK

# ATTACHMENT 2

## Ascent Environmental Scope of Work and Cost Proposal

# C / SCOPE OF WORK + SCHEDULE

## Project Understanding and Key Challenges

The City of Folsom is approaching its Seventh Cycle Housing Element update with a strong foundation to build from: a certified Sixth Cycle Housing Element and a series of strategic amendments to the General Plan and Folsom Plan Area Specific Plan that increased residential capacity near light rail stations, along the East Bidwell corridor, and in the Folsom Plan Area Specific Plan Town Center. At the same time, the seventh cycle will bring new pressures: a RHNA that is likely to be higher than the sixth cycle, heightened HCD scrutiny of sites inventory methodology, a more demanding AFFH standard, and new requirements for acutely and extremely low-income households. The City will also need to navigate the requirements of SB 79, which mandates allowance of higher-density transit-oriented development near Folsom's light rail stations.

### Accommodating the Seventh Cycle RHNA

SACOG's seventh cycle RHNA process will be kicking off in mid-2026, with anticipated release of the Regional Housing Needs Determination by HCD in September 2026 and adoption of the Final RHNA Plan by SACOG in November 2027. Based on determinations in other regions, it is highly likely that the SACOG region will be assigned a higher RHNA than in the sixth cycle. Given Folsom's demographics relative to the region, the City can anticipate another substantial lower-income allocation. The Ascent team is acutely aware of the City's challenges with the sites inventory.

Accommodating the lower-income RHNA and ensuring "no net loss" of capacity was a challenge for Folsom in the sixth cycle—one Ascent helped the City navigate through a General Plan Amendment, Folsom Plan Area Specific Plan (FPASP) amendment, and Subsequent EIR to increase densities near light rail stations, along the East Bidwell corridor, and in the FPASP Town Center. Whether that additional capacity will be sufficient for the seventh cycle is unknown, but the sites inventory will again require a thoughtful methodology, strong documentation, and a defensible approach to buildout assumptions that will withstand HCD scrutiny. Having led this work in the sixth cycle, Ascent understands both the analytical complexity and the stakes involved, and we know what it takes to get HCD approval.

### A Higher Bar on AFFH Requirements

While the City's Sixth Cycle Housing Element included a fair housing assessment and programs to affirmatively further fair housing in compliance with AB 686, it was prepared early in the sixth cycle before HCD had published its AFFH guidance document. HCD's expectations increased significantly as the sixth cycle progressed, and what passed HCD approval early in the cycle was no longer sufficient by the end. HCD now expects a more rigorous analysis, stronger contributing factors identification, and more targeted, measurable program commitments directly tied to the findings of the assessment. For Folsom, this means the seventh cycle fair housing assessment will need to go meaningfully beyond the sixth cycle document in both analytical depth and programmatic commitments.

Ascent prepared AFFH analyses throughout the sixth cycle and is actively working on seventh cycle assessments for other jurisdictions, giving our team a current understanding of what HCD is requiring

now. We also assisted HCD in preparing its AFFH Guidance Memo in 2021 and provided direct technical assistance to SACOG member jurisdictions on AB 686 compliance. This experience gives us a clear view of how HCD interprets its own guidance. SACOG will provide a regional AFFH analysis as part of its data package. Ascent will build the City's local assessment on that foundation while ensuring it reflects Folsom-specific conditions and community-identified concerns.

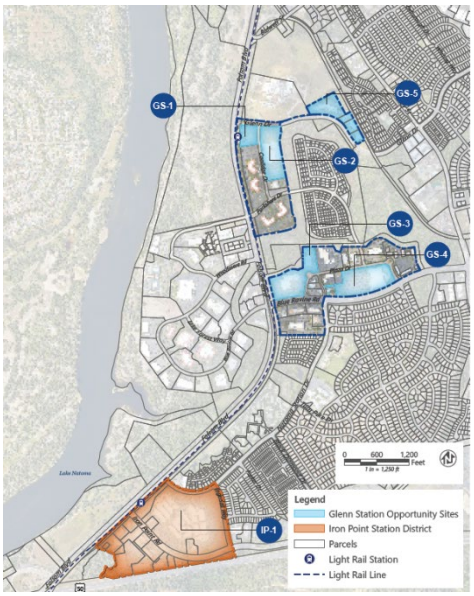
## New Requirements for Acutely Low-Income

The seventh cycle RHNA will include new categories for extremely low- and acutely low-income housing. In the Sacramento region, acutely low income equates to $18,600 annually for a family of four in 2026. These new RHNA categories reflect a growing recognition at the state level that the housing needs of the lowest-income residents, including people experiencing homelessness or at risk of homelessness, are different from those of other income groups and require dedicated analysis and policy responses.

For Folsom, this means the Seventh Cycle Housing Element will need to quantify the existing and projected housing needs of acutely and extremely low-income households, analyze the availability of appropriate housing types and supportive services, and develop programs specifically designed to address this population's needs. Ascent is actively tracking HCD's emerging guidance on acutely low-income requirements and incorporating this analysis into our current seventh cycle work. We will work closely with City staff and local service providers to ground the analysis in Folsom-specific data and identify programs that are both responsive to HCD's expectations and achievable within the City's policy and resource environment.

## SB 79 Transit-Oriented Development Alternative Plan

For the seventh cycle, SB 79 has direct implications for how the City approaches the Housing Element update. SB 79 establishes new development standards for higher-density housing near qualifying transit stops that override local density limits. The law applies to light rail stations at Iron Point, Glenn, Hazel (outside city limits), and Historic Folsom. To allow flexibility in implementation, SB 79 allows local jurisdictions to adopt a "transit-oriented development alternative plan" (TOD Alternative Plan).




AB 2415, authored by Assemblymember Josh Hoover and passed by the Assembly on May 26, 2026, is currently working its way through the Legislature. If AB 2415 is signed into law, the City would have the ability to reduce SB 79 capacity requirements in the Folsom Historic District beyond the 50 percent cap otherwise allowed, provided it adopts a compliant TOD Alternative Plan and compensates for that reduced capacity in its other TOD zones.

Ascent's recent work with the City to create a TOD Overlay zone and calculate development capacity near light rail stations gives the City a head start on addressing SB 79. Ascent will ensure the sites inventory accurately reflects HCD guidance related to capacity for the Housing Element sites that are eligible for SB 79 and advise City staff on options for how to structure the TOD Alternative Plan as part of the Housing Element.

# SCOPE OF WORK

## TASK 1 PROJECT INITIATION AND MANAGEMENT

### Task 1.1 Review of Applicable State Housing Laws

Prior to the kickoff meeting, Ascent will document all applicable housing laws enacted since the sixth cycle in a memo to the City. Ascent will review each new law at the project kickoff meeting.

Task 1.1 will not require many hours, as Ascent is already actively tracking housing legislation. Through our contract with SANDAG's Housing Acceleration Program Technical Assistance Program, Ascent maintains a living legislative tracking matrix that is updated in real time as bills progress through the Legislature. We regularly host webinars for planners throughout the San Diego region to provide updates on emerging legislation. Chelsey Norton brings an additional layer of legislative awareness to this project in her role as Legislative Director on the Sacramento Valley Section American Planning Association Board, where she tracks and provides feedback on emerging legislation.

### Task 1.2 Document Review and Data Collection

As an initial step in the process, Ascent will review and annotate the City's Sixth Cycle Housing Element, delineating sections requiring updates and where more information from City staff will be needed. This annotated document will serve as a general roadmap for the update process, highlighting areas requiring revisions due to new state requirements, areas needing general updates, and sections that can be carried forward with minimal changes. This task also includes developing a data needs list to share with City staff ahead of beginning work on the components of the Housing Element and collaboratively working with City staff to gather necessary information from local sources. We will also establish a collaborative folder structure in SharePoint that will facilitate information exchange between City staff and Ascent throughout the update process.

### Task 1.3 Project Kickoff Meeting/Working Session

Ascent will prepare for and conduct an in-person kickoff meeting/working session with City staff to initiate work on the Housing Element update. This approach will allow the team to set a strong foundation for the update process. At the meeting, we will provide a project overview and review of the scope of work to confirm roles and responsibilities, with a focus on new requirements and how to approach this update to meet HCD expectations. Ascent and City staff will conduct an initial review of the current sites inventory in relation to the seventh cycle RHNA and discuss the overall strategy for accommodating the RHNA. City staff will provide an overview of current housing initiatives and programs, outlining what has been accomplished and what is planned. Other tasks that will be covered during the meeting include reviewing the project schedule, reviewing new housing legislation, discussing objectives for community engagement and HCD's expectation for inclusive community engagement, reviewing data needs, and establishing project management protocols.

### Task 1.4 Project Management and Coordination

Ascent will provide project management throughout the course of the two-and-a-half-year project schedule. This task includes scheduling and facilitating up to 32 coordination calls and six in-person meetings with City staff. Meeting frequency will be adjusted based on project needs (e.g., occurring monthly to start and when less coordination is needed, once every two weeks during active periods, and transitioning to email-only communication when appropriate and during HCD review periods). For each coordination meeting, Ascent will prepare an agenda in advance and document action items in a high-level summary following each

meeting. This task includes other aspects of project administration, including contract processing, project setup, and the preparation of monthly invoices and progress reports. The scope also includes budget for ongoing email communications and informal coordination with project team members, up to the allotted budget in this task.

**Deliverables**

- ✓ Thirty-eight (38) project coordination meeting agendas and high-level summaries with action items
- ✓ Monthly invoices and progress reports

# TASK 2 HOUSING ELEMENT COMPONENTS

## Task 2.1 Introduction and Summary of Outreach Activities

Ascent will prepare the introduction to the Housing Element, which will provide an overview of the purpose and requirements of housing elements under state law, describe the relationship between the Housing Element, General Plan, and other relevant plans and programs, and outline the organization of the document. Ascent will also prepare a summary of outreach activities to include in the introduction of the Folsom Housing Element. This summary will describe the outreach methods employed, summarize feedback received, and explain how that feedback was used to inform the Housing Element.

## Task 2.2 Evaluation of Current Housing Element

Government Code Section 6588 requires that each local government assess the achievements of adopted housing programs and review the effectiveness of housing element goals, policies, and related actions in meeting its community's needs.

Once the 2026 annual progress report (APR) is available, Ascent will review current and past APRs to determine the progress toward meeting the Sixth Cycle RHNA and the initial status, effectiveness, and appropriateness of the programs in the current Housing Element, providing direction on compliance with state housing laws, and helping to identify any omissions or deficiencies that will need to be addressed in the update. City staff will review Ascent's draft evaluation, provide feedback and revisions, and document the effectiveness of each program, providing quantitative results where appropriate. Ascent will also prepare a summary of program effectiveness for special needs populations using information and input from the City.

## Task 2.3 Housing Needs Assessment

Ascent will prepare a comprehensive demographic and housing needs assessment pursuant to Government Code Section 65583 using data provided by SACOG. The updated housing needs assessment will include information on the following topics:

- Population and demographics
- Household characteristics
- Income and employment
- Housing stock characteristics and condition, including age, tenure, and rehabilitation needs
- Housing costs and affordability
- Special housing needs (i.e., seniors; persons with disabilities, including a development disability; acutely low- and extremely low-income households; large families; farmworkers; students; female-headed households; and individuals experiencing homelessness)
- At-risk housing (i.e., an analysis of existing assisted affordable housing at risk of converting to market-rate housing during the next 10 years)

Ascent will supplement the SACOG-provided data with local data and insights from City staff and service providers, particularly related to housing conditions, homelessness, and special needs populations. We will summarize key trends and their implications for policy development.

### Task 2.4 Sites Inventory Analysis

Ascent will prepare an updated sites inventory demonstrating the City's capacity to accommodate the seventh cycle RHNA. We will review and update the existing sites inventory to remove sites that have been developed and add in new sites that have been rezoned or otherwise made available since the Sixth Cycle Housing Element. This task will include inventorying sites that were redesignated/rezoned with the recent General Plan and FPASP amendments that can be realistically developed within the Housing Element planning period, and reflecting HCD guidance related to capacity for sites eligible for SB 79. Ascent will adjust buildout assumptions on vacant and underutilized sites based on updated realistic densities that can be demonstrated through analysis of recently built housing developments. We will also prepare a detailed analysis of non-vacant sites to justify inclusion in the sites inventory.

Pursuant to AB 1397, Ascent will identify whether or not the vacant lower-income sites have been included in the past two Housing Elements and if underutilized sites have been included in one previous Housing Element and, if needed, develop a program to amend the zoning on these sites to allow affordable housing by right in order to continue to count the parcels in the inventory of lower-income sites. City staff will confirm remaining capacity on parcels within specific plan areas and will provide an up-to-date list of entitled residential developments that are expected to be constructed during the Seventh Cycle Housing Element planning period, including unit counts by income level, status, remaining steps, and expected completion. Ascent will prepare GIS shapefiles and a series of GIS maps showing all available sites and pipeline projects included in the inventory. The sites inventory will be prepared using the required HCD Sites Inventory Form, although for efficiency's sake, the final HCD form will not be completed until the inventory has been finalized in Task 7.

In addition to vacant and underutilized sites and pipeline projects, the sites inventory will include projections of ADUs and SB 9 duplex units, if applicable. Based on building permit data provided by City staff, Ascent will determine the appropriate assumptions for this next RHNA cycle and update the projections for ADUs and SB 9 units. This scope assumes SACOG will provide data on ADU affordability for the region.

Ascent will analyze the capacity of available sites in comparison to the City's seventh cycle RHNA to determine whether the City has adequate capacity to meet the RHNA. If it is determined that the City does not have adequate capacity, we will work with the City to develop a rezoning strategy to address the identified shortfall. Because the seventh cycle RHNA is unknown, our proposal includes the rezoning strategy as an optional task that could be authorized by City staff if a shortfall is identified.

### Task 2.5 Housing Constraints Analysis

Ascent will review and update the housing constraints analysis, which identifies and analyzes potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels. This effort includes incorporating any recent changes in the analysis (e.g., new ordinances, fees, permit processes, infrastructure capacity) and complying with newer requirements related to governmental constraints for special needs housing (e.g., group homes, supportive housing, low barrier navigation centers, emergency shelters, ADUs). Ascent will also update information in the nongovernmental constraints analysis related to land costs, construction costs, and availability of financing. City staff will provide updated information on the length of time between project approval and request for a building permit and any requests the City has received for reduced density.

While Ascent will take the lead in preparing this analysis, this task assumes that City staff will provide the necessary inputs and interpretations of code to complete this update. We will give the City a detailed data needs list and instructions to provide additional direction. After completing the constraints analysis, Ascent will identify potential programs to remove or mitigate any identified constraints.

### Task 2.6 Fair Housing Assessment

Ascent will update the existing fair housing assessment with new data and analysis. This task assumes that SACOG will provide a regional fair housing assessment covering the requirements of state law. Ascent will build off the regional assessment with a local assessment tailored to the City of Folsom.

The updated fair housing assessment will include:

- a summary of fair housing issues and an analysis of fair housing enforcement and outreach;
- an analysis of local and regional patterns and trends related to integration and segregation;
- identification and analysis of Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) and Areas of Affluence;
- an assessment of disparities in access to opportunity, including for persons with disabilities, and consideration of how these disparities affect special needs populations; and
- an analysis of disproportionate housing needs that affect protected classes (e.g., overpayment, overcrowding, housing conditions), including displacement risk.

Ascent will lead the technical update of the assessment, utilizing available data sources, including HCD's AFFH mapping tool and other relevant state and federal datasets, as well as local knowledge from City staff and local service providers to ensure the updated assessment accurately reflects on-the-ground conditions and community-identified concerns.

AB 686 also requires that a jurisdiction identify sites throughout its community in a manner consistent with AFFH and the findings of the fair housing assessment. Once the draft sites inventory outlined in Task 2.4 is complete, Ascent will examine the spatial relationship between the sites inventory and various AFFH factors (e.g., race and income, areas of opportunity, disproportionate housing needs, displacement risk) to analyze whether proposed housing sites improve or potentially exacerbate fair housing conditions.

Based on the updated fair housing assessment and analysis of sites, Ascent will identify and review with City staff the contributing factors to fair housing issues and propose changes to policies and implementation programs to help address these factors.

### Task 2.7 Opportunities for Energy Conservation

Ascent will review and update the discussion of opportunities for energy conservation to reflect new City and regional programs and initiatives as well as changes to the state building code related to energy efficiency.

### Task 2.8 Funding Resources

Ascent will review and update the discussion of financial and other resources available to support affordable housing development, including descriptions of federal, county, and state funding programs and any other local programs and resources that may be available (e.g., housing trust fund).

### Task 2.9 Housing Goals, Policies, and Implementation Programs

Ascent will prepare the updated housing goals, policies, and implementation programs based on the evaluation of the Sixth Cycle Housing Element, new requirements of state law, analysis of housing needs and constraints, updates to the fair housing assessment, input from the community outreach and engagement program, discussions with City staff, and best practices. Goals, policies, and programs will

address, at a minimum, housing supply and affordability for all income levels (including acutely low and extremely low income), preservation of existing neighborhoods and community character, removal of governmental constraints, support for infill and mixed-use development, promotion of accessory dwelling units, and promotion of equitable access to housing opportunities. Ascent will work with City staff to ensure that each implementation program has a specific time frame, quantified objective, responsible department(s), and geographic target. We will also review each program through the lens of AFFH requirements to satisfy this state mandate.

**Deliverables**

- ✓ Deliverables related to this task are listed in Task 3

### Optional Task 1: Rezone Strategy

*If the City has a shortfall in meeting the RHNA, Ascent will work with City staff to develop a rezone strategy. This includes working with the City to develop a list of candidate rezone sites that will be considered for rezoning in a subsequent rezone program. Ascent will provide guidance and criteria for appropriate rezone sites, and the City will develop the list of potential sites with Ascent's support that will be addressed as part of the environmental review under Task 6. If the Housing Element is adopted and certified within 120 days of the seventh cycle deadline, the City will have three years to complete the rezone program. Subsequent rezone actions would be exempt under CEQA as provided under Public Resources Code Section 21080.085.*

## TASK 3 DRAFT HOUSING ELEMENT PREPARATION

### Task 3.1 Administrative Draft Housing Element

Ascent will compile the components developed in Task 2 into a cohesive, formatted administrative draft Housing Element. Prior to submitting the administrative draft, Ascent will review the complete draft Housing Element and confirm full consistency with the 2024 General Plan Update, the ongoing Zoning Code Update, and the Folsom Plan Area Specific Plan. We will prepare a memo describing any inconsistencies and providing suggestions to City staff for rectifying the inconsistencies. The administrative draft will be submitted to City staff for review. This task assumes City staff will provide one set of consolidated comments on the administrative draft.

### Task 3.2 Public Review Draft Housing Element

Ascent will review and revise the administrative draft Housing Element to address one round of consolidated City staff comments and will prepare the public review draft Housing Element for City staff to review/confirm. Alongside the delivery of a clean public review draft, Ascent will share a tracked-changes version of the document for City staff to more easily follow revisions and changes made to address comments.

Beginning in April 2027, local governments with populations greater than 50,000 must ensure that web content, including planning documents like the Housing Element, meet federal accessibility standards under the Americans with Disabilities Act (ADA) Title II rule. Specifically, documents must comply with Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards to ensure they are accessible to individuals using assistive technologies such as screen readers. Ascent will ensure the public review draft Housing Element is provided as an ADA-compliant, WCAG 2.1 Level AA format. This includes structuring the document with appropriate tags and reading order, providing alternative text for images, maps, and graphics, and ensuring sufficient color contrast and metadata.

This task assumes that only minimal changes would be needed after City staff's review/confirmation of the Housing Element. If additional discussion or substantive changes are needed after City review, additional budget will be needed. Ascent will advise City staff on noticing procedures to comply with 30-day public review and other requirements of state law.

### Optional Task 2: Revised Public Review Draft Housing Element

*Depending on the number of public comments, City staff may decide to revise the draft Housing Element prior to study sessions with the Planning Commission and the City Council. Ascent could assist with preparing this revised public review draft. Alternatively, if the number of public comments is not substantial, City staff may be able to address this as part of the recommendations in their staff reports to decision-makers and based on City Council direction, those revisions would be made during Task 5.1.*

**Deliverables**

- ✓ Administrative draft Housing Element (electronic copies [Word and PDF])
- ✓ Memo summarizing review for consistency with General Plan, Zoning Code, and Folsom Plan Area Specific Plan (electronic copies [Word and PDF])
- ✓ Public review draft Housing Element (electronic copies [Word and PDF])
- ✓ Revised public review draft Housing Element (electronic copies [Word and PDF]) – optional

## TASK 4 COMMUNITY OUTREACH AND ENGAGEMENT

### Task 4.1 Project Website and Publicity Materials

Ascent will coordinate with City staff to develop a dedicated webpage for the Housing Element update, hosted on the City's website and maintained by City staff throughout the planning process. We will prepare initial website content and graphic materials, such as a project schedule, frequently asked questions, and information on community engagement opportunities. Ascent will provide City staff with updated content as the project progresses. In addition to website content, we will prepare branded outreach materials to advertise engagement opportunities and activities to the broader community, including flyers for each community workshop and content for five social media posts.

### Task 4.2 Community Workshops

Ascent will prepare for and facilitate two community workshops, which can be conducted in person or virtually. Both workshops will be designed to reach a broad cross-section of the community, including renters, lower-income residents, and other populations whose voices are not always heard in traditional planning processes, consistent with HCD's expectations for inclusive engagement. The first workshop will be held early in the process to educate the community on the purpose of the housing element and the City's obligation to accommodate the seventh cycle RHNA and to collect input on key housing issues facing residents. The second workshop will be held later in the process to gather feedback on the draft Housing Element, with a focus on the sites inventory and implementation programs. Ascent will prepare a summary of feedback received at each workshop for inclusion in the Housing Element.

As an option, in place of one of the community workshops, Ascent could conduct targeted outreach to engage hard-to-reach and historically underrepresented community members. Options might include coordinating directly with community-based organizations to attend an existing community event or hosting a pop-up event or tabling at locations where residents already gather.

### Task 4.3 Focus Group Meetings and/or Stakeholder Interviews

Ascent will prepare for and attend two focus group meetings, which can be conducted in person or virtually, on specific topics of interest, such as affordable housing, approaches to meeting the RHNA, fair housing, or housing for people experiencing homelessness. We will work with City staff to identify topic areas and develop a list of interested parties to invite, and Ascent will provide meeting summaries. As an option, these meetings could occur as a series of stakeholder interviews, such as with developers or housing advocacy groups, rather than group meetings, within the allotted budget.

### Task 4.4 Online Survey

Ascent will prepare and help distribute a web-based survey to gather information from the community on housing needs and housing policy priorities. We will compile and summarize the survey results for inclusion in the Housing Element.

### Task 4.5 Planning Commission and City Council Study Sessions

Ascent will prepare for and attend a total of two study sessions with the Planning Commission and the City Council. These sessions can either occur early in the process to provide an overview of the process and get input into key policy considerations or occur later in the process to present and collect feedback on the public review draft Housing Element prior to submitting it to HCD. Ascent will prepare a PowerPoint presentation and review the draft staff report prepared by City staff, providing assistance in targeted areas as needed.

*Note: Task 7.2 includes two additional public hearings on the final Housing Element.*

### Task 4.6 Tribal Consultation

ECORP Consulting, Inc., in coordination with Ascent, will assist the City in conducting tribal consultation consistent with the requirements of SB 18, which requires such consultation with a proposed amendment or adoption of a general plan. The results of this consultation process will be incorporated into the Housing Element Update.

**Deliverables**

- ✓ Engagement materials for varying events (e.g., website content, publicity materials, PowerPoint presentations, online survey)
- ✓ PowerPoint presentations for Planning Commission and City Council meetings

## TASK 5 HCD REVIEW OF HOUSING ELEMENT

### Task 5.1 HCD Review Draft Housing Element Submittal

Based on direction from the Planning Commission and the City Council, Ascent will prepare the HCD review draft Housing Element, prepare a cover letter, and deliver the HCD review draft Housing Element (electronically and physically with one black-and-white copy) to HCD.

### Task 5.2 Revisions to Address Preliminary HCD Comments

Ascent will serve as the City's liaison throughout the HCD review process, managing all communications with HCD reviewers during the review process. Following submission of the HCD review draft Housing Element and halfway through the 90-day HCD review period, we will facilitate one meeting/phone call with HCD and City staff to seek preliminary HCD comments to reduce the length of HCD's formal comment letter. Time permitting, Ascent will prepare a memo outlining responses to HCD comments along with an errata of the extracted changes made to the Housing Element to address preliminary comments from HCD. City staff will

then post the memo and errata on the project webpage and notify interested parties, with Ascent submitting the memo and errata to HCD after the seven-day noticing period, assuming minimal public comment received during the noticing period. (Note: If HCD is not able to provide comments in a timely manner, this task will take place after receiving the formal comment letter.)

### Task 5.3 Revisions to Address HCD Comment Letter

After receiving HCD's formal comment letter, Ascent will assist with preparing a second round of revisions to the Housing Element. This task includes participating in one meeting/phone call with HCD and City staff to discuss remaining compliance issues and comments at some point during the 60-day HCD review period. Ascent will then prepare a memo outlining responses to HCD comments along with an errata of the extracted changes made to the Housing Element to address preliminary comments from HCD. City staff will then post the memo and errata on the project webpage and notify interested parties, with Ascent submitting the document to HCD. This task assumes that revisions will result in a conditional approval letter for certification after the 60-day review period and before the Planning Commission and City Council adoption hearings.

**Deliverables**

- ✓ HCD review draft Housing Element (electronic copies [Word and PDF])
- ✓ Cover letter to HCD (electronic copies [Word and PDF])
- ✓ Revisions to address HCD comments (electronic copies [Word and PDF])
- ✓ Two memos outlining responses to HCD comments and accompanying errata of changes (electronic copies [Word and PDF])

### Optional Task 3: Third Round of HCD Review

*If additional revisions are necessary and the City receives another comment letter from HCD, triggering a new 60-day review period, Ascent will conduct a final round of revisions during the 60-day review period and facilitate one meeting/phone call with HCD and City staff to resolve any outstanding issues. Ascent will implement final revisions in a memo and accompanying errata. City staff will then post the memo and errata on the project webpage and notify interested parties, with Ascent submitting the document for review. Ascent will work diligently with HCD staff during this time to secure a timely conditional approval letter before the Planning Commission and City Council adoption hearings.*

## TASK 6 ENVIRONMENTAL REVIEW

### Task 6.1 Environmental Review/CEQA Documentation

Ascent will review the City of Folsom 2035 General Plan Amendments for Increasing Residential Capacity Project Subsequent EIR (to the General Plan EIR) as well as the Addendum for the City's 2021–2029 Housing Element and will prepare an addendum or technical memorandum that will document all environmental topic areas, any changes in circumstances or project-related changes, and whether such changes were adequately covered in the previous environmental documents. We will utilize State CEQA Guidelines Section 15168(c), focusing on whether the project would have any effects not examined in the previous environmental documents. The analysis will include substantial evidence and will assess the following for each environmental topic:

- Does the Seventh Cycle Housing Element involve new significant impacts or substantially more severe impacts?
- Are there new circumstances involving new significant impacts or substantially more severe impacts?
- Is there any significant new information requiring new analysis or verification?

- Are only technical changes or additions needed to make the prior environmental documents sufficient for the proposed project?
- Do mitigation measures from the prior environmental documents resolve significant impacts?

Ascent will provide a draft document for City review and comment. The final document will incorporate requested edits. This scope of work assumes that an addendum or technical memorandum (should the proposed Seventh Cycle Housing Element result in no substantial changes to the current Housing Element and City of Folsom 2035 General Plan Amendments for Increasing Residential Capacity Project involving environmental issues) will be prepared. If a different document is determined necessary for CEQA compliance, Ascent will coordinate with the City regarding changes to the scope and budget.

**Deliverables**

- ✓ Draft addendum or technical memorandum
- ✓ Final addendum or technical memorandum

## TASK 7 FINAL DOCUMENTS AND ADOPTION

### Task 7.1 Public Hearing Draft Housing Element

Ascent will prepare a public hearing draft Housing Element to be presented at adoption hearings that incorporates all the responses to HCD comments.

### Task 7.2 Adoption Hearings

Ascent will attend two public hearings, one before the Planning Commission and one before the City Council, to help present the public hearing draft Housing Element and respond to questions. We will prepare a meeting presentation and assist City staff with the staff reports and the adoption resolution by providing examples and conducting a peer review.

### Task 7.3 Final Housing Element and Submittal to HCD

Ascent will prepare the final Housing Element, incorporating any changes made by the City Council in adopting the Housing Element and preparing an ADA-compliant, WCAG 2.1 Level AA compliant version of the document. We will prepare a cover letter and will print and deliver one black-and-white copy of the Housing Element to HCD for the final 60-day review period. Following HCD certification, Ascent will provide all final digital files to the City, including the Housing Element in Microsoft Word and the sites inventory in GIS and Excel.

### Task 7.4 HCD Electronic Housing Element Sites Inventory Form

Ascent will prepare an electronic copy of the final sites inventory using HCD's approved Excel spreadsheet, to be submitted to HCD with the final Housing Element. Time in this task also allows for one round of minimal revisions/questions with HCD's sites inventory team.

**Deliverables**

- ✓ Public hearing draft Housing Element (electronic copies [Word and PDF])
- ✓ Final Housing Element (one hard copy mailed to HCD, and electronic copies [Word and PDF])
- ✓ Electronic Sites Inventory Form (electronic copy [Excel])
- ✓ Original electronic files of final Housing Element, including sites inventory (Word, PDF, Excel, and ArcGIS)

# FEE PROPOSAL - 2029 HOUSING ELEMENT UPDATE

6/1/2026

| | | | | Angell | Norton | Green | Gelbman | Pope | Merry | Zajac | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | PIC/Env. Principal | Project Manager | Asst. Project Manager | Senior Urban Planner | Urban Planner II | GIS Task Leader | CEQA Task Manager | Urban Planner I | Env. Planner | GIS Specialist | Graphics/ Word Processing | Admin./ Finance |
| | | | hourly rate: | $365 | $285 | $175 | $250 | $165 | $200 | $225 | $135 | $160 | $140 | $135 | $140 |
| **Task 1:** | **Project Initiation and Management** | **Budget** | **Hours** | | | | | | | | | | | | |
| 1.1 | Review of Applicable State Housing Laws | $ 1,445 | 7 | | 1 | | 2 | 4 | | | | | | | |
| 1.2 | Document Review and Data Collection | $ 1,995 | 11 | | 1 | 6 | | 4 | | | | | | | |
| 1.3 | Project Kickoff Meeting/Working Session | $ 2,540 | 12 | | 4 | 8 | | | | | | | | | |
| 1.4 | Project Management and Coordination | $ 25,300 | 124 | 2 | 36 | 60 | | | | 2 | | | | | 24 |
| | **Subtotal, Task 1** | **$ 31,280** | **152** | **2** | **42** | **74** | **2** | **8** | **0** | **2** | **0** | **0** | **0** | **0** | **24** |
| **Task 2:** | **Housing Element Components** | **Budget** | **Hours** | | | | | | | | | | | | |
| 2.1 | Introduction and Summary of Outreach Activities | $ 4,130 | 26 | | 2 | 8 | | | | | 16 | | | | |
| 2.2 | Evaluation of Current Housing Element | $ 3,430 | 22 | | 2 | 4 | | | | | 16 | | | | |
| 2.3 | Housing Needs Assessment | $ 7,940 | 52 | | 4 | 8 | | | | | 40 | | | | |
| 2.4 | Sites Inventory Analysis | $ 30,040 | 168 | | 16 | 24 | 8 | 80 | 8 | | | | 32 | | |
| 2.5 | Housing Constraints Analysis | $ 11,110 | 62 | | 6 | 16 | | 40 | | | | | | | |
| 2.6 | Fair Housing Assessment | $ 11,470 | 68 | | 4 | 10 | | 36 | 2 | | | | 16 | | |
| 2.7 | Opportunities for Energy Conservation | $ 1,540 | 10 | | 1 | 1 | | | | | 8 | | | | |
| 2.8 | Funding Resources | $ 2,615 | 15 | | 1 | 2 | | 12 | | | | | | | |
| 2.9 | Housing Goals, Policies, and Implementation Programs | $ 12,820 | 68 | | 12 | 16 | | 40 | | | | | | | |
| | **Subtotal, Task 2** | **$ 85,095** | **491** | **0** | **48** | **89** | **8** | **208** | **10** | **0** | **80** | **0** | **48** | **0** | **0** |
| **Task 3:** | **Draft Housing Element Preparation** | **Budget** | **Hours** | | | | | | | | | | | | |
| 3.1 | Administrative Draft Housing Element | $ 11,760 | 68 | | 6 | 30 | | 16 | | | 8 | | | 8 | |
| 3.2 | Public Review Draft Housing Element | $ 16,020 | 104 | | 4 | 16 | | 24 | | | 16 | | 4 | 40 | |
| | **Subtotal, Task 3** | **$ 27,780** | **172** | **0** | **10** | **46** | **0** | **40** | **0** | **0** | **24** | **0** | **4** | **48** | **0** |
| **Task 4:** | **Community Engagement** | **Budget** | **Hours** | | | | | | | | | | | | |
| 4.1 | Project Website and Publicity Materials | $ 6,020 | 36 | | 4 | 8 | | 8 | | | 8 | | | 8 | |
| 4.2 | Community Workshops | $ 14,820 | 84 | | 12 | 24 | | 24 | | | 16 | | | 8 | |
| 4.3 | Focus Group Meetings and/or Stakeholder Interviews | $ 8,240 | 40 | | 12 | 20 | | 8 | | | | | | | |
| 4.4 | Online Survey | $ 3,845 | 25 | | 1 | 8 | | | | | 16 | | | | |
| 4.5 | Planning Commission and City Council Study Sessions | $ 7,100 | 36 | | 8 | 20 | | 8 | | | | | | | |
| 4.6 | Tribal Consultation | $ 815 | 3 | 1 | | | | | | 2 | | | | | |
| | **Subtotal, Task 4** | **$ 40,840** | **224** | **1** | **37** | **80** | **0** | **48** | **0** | **2** | **40** | **0** | **0** | **16** | **0** |
| **Task 5:** | **HCD Review of Housing Element** | **Budget** | **Hours** | | | | | | | | | | | | |
| 5.1 | HCD Submittal and Revisions | $ 4,910 | 30 | | 2 | 8 | | 8 | | | | | | 12 | |
| 5.2 | Revisions to Address Preliminary HCD Comments | $ 23,780 | 126 | | 24 | 40 | | 52 | | | 8 | | 2 | | |
| 5.3 | Revisions to Address HCD Comment Letter | $ 14,260 | 78 | | 12 | 24 | | 32 | | | 8 | | 2 | | |
| | **Subtotal, Task 5** | **$ 42,950** | **234** | **0** | **38** | **72** | **0** | **92** | **0** | **0** | **16** | **0** | **4** | **12** | **0** |
| **Task 6:** | **Environmental Compliance** | **Budget** | **Hours** | | | | | | | | | | | | |
| 6.1 | Environmental Review/CEQA Documentation | $ 18,360 | 99 | 6 | 2 | | | | | 20 | | 60 | 3 | 8 | |
| | **Subtotal, Task 6** | **$ 18,360** | **99** | **6** | **2** | **0** | **0** | **0** | **0** | **20** | **0** | **60** | **3** | **8** | **0** |
| **Task 7:** | **Final Documents and Adoption** | **Budget** | **Hours** | | | | | | | | | | | | |
| 7.1 | Public Hearing Draft Housing Element | $ 2,890 | 18 | | 2 | 4 | | | | | 8 | | | 4 | |
| 7.2 | Adoption Hearings | $ 6,620 | 28 | 2 | 12 | 4 | | 8 | | 2 | | | | | |
| 7.3 | Final Housing Element and Submittal to HCD | $ 1,525 | 9 | | 1 | 4 | | | | | | | | 4 | |
| 7.4 | HCD Electronic Housing Element Sites Inventory Form | $ 4,105 | 27 | | 1 | 4 | | | 2 | | 16 | | 4 | | |
| | **Subtotal, Task 7** | **$ 15,140** | **82** | **2** | **16** | **16** | **0** | **8** | **2** | **2** | **24** | **0** | **4** | **8** | **0** |
| | **LABOR SUBTOTAL** | **$ 261,445** | **1456** | **11** | **193** | **377** | **10** | **404** | **12** | **26** | **184** | **60** | **63** | **92** | **24** |
| | | | | **$ 4,015** | **$ 55,005** | **$ 65,975** | **$ 2,500** | **$ 66,660** | **$ 2,400** | **$ 5,850** | **$ 24,840** | **$ 9,600** | **$ 8,820** | **$ 12,420** | **$ 3,360** |

| | | |
|---|---|---|
| **REIMBURSABLE EXPENSES** | **$** | **5,800** |
| **Printing** | **$** | **500** |
| **Mileage / Travel Expenses** | **$** | **250** |
| **Postage** | **$** | **50** |
| **Subconsultants** | **$** | **5,000** |
| *ECORP (Tribal Consultation)* | *$* | *5,000* |
| **TOTAL BUDGET** | **$** | **267,245** |
| Total Cost with $30,000 (~10%) Contingency | $ | 297,245 |

**ASSUMPTIONS**

Assumptions that explain the basis of the proposed budget included in the proposed scope for work.

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11677 – A Resolution Approving the Historic District Commission's Recommendation for Approval of a Design Review Application for a Commercial Addition Project Located at 705 Sutter Street and Determination that the Project is Exempt from CEQA |
| **FROM:** | Community Development Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

The Historic District Commission held a public meeting for the project on August 5, 2026. During the meeting, the Commission recommended revisions to Condition 10 to clarify that the rear porch utilizes a standing seam metal roof, which is reflected in Attachment 3 of this report. Staff recommends that the City Council take the following action confirming the Commission's decision:

1. Approve Resolution No. 11677 – A Resolution Approving the Historic District Commission's Recommendation for Approval of a Design Review Application for a Commercial Addition Project Located at 705 Sutter Street and Determination that the Project is Exempt from CEQA.

**BACKGROUND / ISSUE**

The applicant is requesting approval for design review application for a 2,280 square-foot rear commercial addition located at 705 Sutter Street, as discussed in the attached Staff Report.

**POLICY / RULE**

Folsom Municipal Code (FMC) Section 17.52.300 requires that all new office, industrial, commercial, and residential structures undergo design review by the Historic District Commission. However, as a result of the recent litigation, all entitlements in the Historic District are being submitted to City Council for final approval.

**ANALYSIS**
Staff have determined that the project complies with the standards of the Folsom Municipal Code and the Historic District Design and Development Guidelines, as discussed in the attached staff report.

**FINANCIAL IMPACT**
The project does not impact the General Fund.

**ENVIRONMENTAL REVIEW**
The project is categorically exempt from environmental review under Section 15303 (New Construction or Conversion of Small Structures) and 15061(b)(3) (Common Sense) of the CEQA Guidelines. Based on staff's analysis of this project, none of the exceptions in Section 15300.2 of the CEQA Guidelines apply to the use of the categorical exemptions in this case.

**ATTACHMENTS**
1. Resolution No. 11677 – A Resolution Approving the Historic District Commission's Recommendation for Approval of a Design Review Application for a Commercial Addition Project Located at 705 Sutter Street and Determination that the Project is Exempt from CEQA.
2. Historic District Commission Staff Report and Attachments, dated August 5, 2026
3. Commission Revised Conditions of Approval, dated August 5, 2026

Submitted,

_____

PAM JOHNS
Community Development Director

# Attachment 1

# RESOLUTION NO. 11677

## A RESOLUTION APPROVING THE HISTORIC DISTRICT COMMISSION'S RECOMMENDATION FOR APPROVAL OF A DESIGN REVIEW APPLICATION FOR A COMMERCIAL ADDITION PROJECT LOCATED AT 705 SUTTER STREET AND DETERMINATION THAT THE PROJECT IS EXEMPT FROM CEQA

**WHEREAS**, the Historic District Commission on August 5th, 2026, held a public meeting on the proposed design review application for the Ruby's Books Commercial Addition Project (DRCL26-00079), reviewed the staff report as well as the associated exhibits and attachments, considered public comment, and provided a recommendation to City Council; and

**WHEREAS** notice has been given at the time and in the manner required by State Law and City Code; and

**WHEREAS** the Historic District Commission determined that the proposed project would be exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15303 and Section 15061(b)(3);

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom hereby confirms the recommendation of the Historic District Commission and approves a design review application for the Ruby's Books Commercial Addition Project.

This approval is subject to the commission revised conditions of approval presented to the City Council as Attachment 3 and this Resolution is based on the following findings:

**GENERAL FINDINGS**

A. NOTICE OF PUBLIC MEETING HAS BEEN GIVEN AT THE TIME AND IN THE MANNER REQUIRED BY STATE LAW AND CITY CODE.

B. THE PROJECT IS CONSISTENT WITH THE GENERAL PLAN AND ZONING CODE OF THE CITY.

**CEQA FINDINGS**

C. THE PROJECT IS CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW UNDER SECTION 15303 (NEW CONSTRUCTION OR CONVERSION OF SMALL STRUCTURES) AND UNDER SECTION 15061 (COMMON SENSE) OF THE CEQA GUIDELINES.

D. NONE OF THE EXCEPTIONS LISTED UNDER CEQA GUIDELINES SECTION 15300.2 ARE PRESENT.

**DESIGN REVIEW FINDINGS**

E. THE BUILDING MATERIALS, TEXTURES AND COLORS USED IN THE PROPOSED PROJECT ARE COMPATIBLE WITH SURROUNDING DEVELOPMENT AND ARE CONSISTENT WITH THE GENERAL DESIGN THEME OF THE NEIGHBORHOOD.

F. THE PROPOSED PROJECT IS IN CONFORMANCE WITH THE HISTORIC DISTRICT DESIGN AND DEVELOPMENT GUIDELINES ADOPTED BY THE CITY COUNCIL.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

# Attachment 2

**AGENDA IT**
**Type: Public Meeting**
**Date: August 5, 2026**

# Historic District Commission Staff Report

50 Natoma Street, Council Chambers
Folsom, CA 95630

| | |
|---|---|
| **Project Name:** | Ruby's Books Commercial Addition Project |
| **File #:** | DRCL26-00079 |
| **Request:** | Design Review, and Determination that the Project is Exempt from CEQA |
| **Location:** | 705 Sutter Street, Folsom, CA 95630 |
| **Parcel(s):** | APN 070-0105-010-0000 |
| **Staff Contact:** | Nathan Stroud, Associate Planner<br>nstroud@folsom.ca.us, (916) 461-6220 |

**Property Owner**
705 Sutter LLC
6330 Reservoir Drive
Granite Bay, CA 95746

**Applicant**
Edward Mojica
514 Oak Street
Roseville, CA 95678

## Recommendation

Move to recommend confirming staff's determination that Ruby's Books Commercial Addition Project is exempt from CEQA under Sections 15301 (Existing Facilities) and 15061(b)(3) (Common Sense Exemption); and recommend approval of an application (DRCL26-00079) for design review for a 2,280 square-foot rear commercial addition located at 705 Sutter Street, based on the findings (Findings A-F), and subject to the conditions of approval (Conditions 1-11) attached to this report.

## Project Summary

The proposed project involves a 2,280 square-foot rear commercial addition located at 705 Sutter Street. The subject property is located within the Historic District (HD) Zoning District within the Sutter Street Subarea, with a General Plan Land Use Designation of Historic Folsom Mixed-Use (HF). The City Council will take final action.

## Environmental Review

The proposed planned development permit modification is categorically exempt from environmental review under Sections 15301 (Existing Facilities) and 15061(b)(3) (Common Sense exemption) of the CEQA Guidelines since it involves the addition of 2,280 square-feet of space to an existing commercial building. Based on staff's analysis of this

project, none of the exceptions in Section 15300.2 of the CEQA Guidelines apply to the use of the categorical exemptions in this case.

**Public Noticing and Outreach**

A notice was posted on the project site and mailed to adjacent property owners at least five days prior to the meeting that met the requirements of FMC Section 17.52.320

As of the writing of this report, no public comments have been received.

**Attachments**

1 – Description/Analysis
2 – Project Site Information
3 – Conditions of Approval
4 – Vicinity Map
5 – Plan Set
6 – Statement of Intended Use

Submitted,

PAM JOHNS
Community Development Director

**ATTACHMENT 1**
**DESCRIPTION/ANALYSIS**

## PROJECT DESCRIPTION

The applicant, Edward Mojica, is requesting approval of a design review for a 2,280 square-foot rear commercial addition located at 705 Sutter Street, as shown on the plans provided in Attachment 5. The proposed commercial addition is located on the second story at the rear of the existing building and is intended to provide more space for Ruby's Books, a bookstore, for a reading room, children's section, and space for minor activities such as craft nights, book signings with authors, and other related activities. The project intends to match the existing building in terms of materials and colors, and no changes to the front façade are proposed. Renderings of the project have been provided in Figure 1 below and in Attachment 5.

**Figure 1 – 3D Renderings (Front / Rear Elevation)**

## ANALYSIS

### General Plan and Zoning Consistency

The project site is within the Historic District (HD) Zoning District within the Sutter Street Subarea, and the General Plan Land Use Designation of the project site is Historic Folsom Mixed-Use (HF). The General Plan Land Use Designation and Zoning District are consistent with each other and are not proposed to change as part of this project.

The following table shows applicable General Plan goals/policies:

| General Plan Policies (2035) | |
|---|---|
| **Goals/Policies** | **Description** |
| **LU 2.1.1**<br>(Historic Folsom) | Maintain the existing street fabric and pattern and enhance the tourist-oriented, historic commercial uses in the Historic Folsom commercial areas to preserve the unique character of Folsom's historic center and support local business. |
| **NCR 5.1.6**<br>(Historic District Standards) | Maintain and implement design and development standards for the Historic District. |

The project involves the expansion of an existing commercial building with an addition that matches the building in terms of colors and materials. As discussed later in this report, the project meets the standards of the Historic District Design and Development Guidelines, in compliance with General Plan Policy NCR 5.1.6. The minimal impact to the Sutter Street streetscape also satisfies General Plan Policy LU 2.1.1 by preserving the character of Sutter Street. Furthermore, the Historic Folsom Mixed-Use (HF) General Plan Designation specifies a Floor-Area-Ratio (FAR) between 0.5 and 2.0. As the project involves a 6,405 square-foot building (including the addition) on a 3,906 square-foot parcel, the FAR is 1.64, within the specified FAR. Overall, the project has been determined to comply with the goals and policies of the Folsom General Plan.

The following table shows how the project relates to applicable zoning requirements:

| Sutter Street Subarea Development Standards (FMC 17.52.510) | | |
|---|---|---|
| | **Required** | **Proposed** |
| **Setbacks** | No Setbacks Required | No change in setback proposed |
| **Height Maximum** | 35 Feet | Appx. 32.5 Feet *(+2.5 feet increase)* |

Regarding height, the addition would increase the height of the existing structure by approximately 2.5 feet due to the rear addition's roof gable, however the building height is within zoning allowances, and the finished structure would be shorter than the Folsom Hotel located adjacent to the project site. Overall, the project has been determined to satisfy the development standards of the Historic District (HD) Zoning District within the Sutter Street Subarea, as outlined in the Folsom Municipal Code.

**Policy/Rule**

Folsom Municipal Code (FMC) Section 17.52.300 states that the Historic District Commission shall review projects involving additions to existing buildings over 25% of the total square-footage of the existing building or over five hundred square-feet, whichever is less, in the Historic District. FMC Section 17.52.330 states that, in reviewing projects, the Commission shall consider the following criteria:

a) Project compliance with the General Plan and any applicable zoning ordinances;

b) Conformance with any city-wide design guidelines and historic district design and development guidelines adopted by the city council;

c) Conformance with any project-specific design standards approved through the planned development permit process or similar review process; and

d) Compatibility of building materials, textures and colors with surrounding development and consistency with the general design theme of the neighborhood.

However, as a result of the recent litigation, all entitlements in the Historic District are being submitted to City Council for final approval.

## Historic Context

Background

The building at 705 Sutter Street was originally built sometime between 1915 and 1930. According to the Folsom History Museum, the original building was constructed with a typical wooden Western False Front style façade but was later purchased by Guiseppe Murer (also known as Joe Murer) and heavily modified to its current façade which exhibits similar characteristics with the Spanish Eclectic or Italian Renaissance styles with stucco exterior, arches, and a curved tile roofing on the top of the parapet. Joe Murer was a prominent figure in early 1900s Folsom, having owned, developed, and renovated various properties in the Historic District, notably using the Spanish Eclectic, Mission Revival, and Italian Renaissance architectural styles for the building's he owned and developed.

Historic Resource Listing and Eligibility

According to the Built Environment Resources Directory (BERD), records show that the property at 705 Sutter Street was determined to be ineligible for listing on the National Register of Historic Places in 1991, however the property has not yet been evaluated for listing on the California Register or City Cultural Resources Inventory.

Given the age and association with historically significant figures in Folsom's History, particularly with regards to the building's architectural style, the building may be eligible for listing on the City's Cultural Resources Inventory. The property is currently not listed in the California Register, nor on the City's Cultural Resources Inventory.

Impact on Architectural Significance

Although not listed as a Historic Resource, the building's architectural style and association with Joe Murer are important factors for its potential for future listing. Because the proposed project preserves the building's front façade, where most of the architecturally significant elements are located, staff anticipate that the commercial addition for this project would not have a substantial adverse impact on its eligibility for local listing on the City's Cultural Resources Inventory.

## Design Review

Form and Design

The project's second story rear addition will have a simple form of a two-story building with an open-gabled roof. The proposed gabled roof will have a slightly steeper roof pitch (5/12) than the existing gabled roof (3/12) at the front of the building, however this is considered compatible with the structure. Existing rooftop equipment is proposed to be replaced and relocated to a new mechanical well, located in the center of the rooftop. An elevator doghouse will also be located here for the proposed new elevator. Renderings

of the project seen from the ground-level have been provided on Sheet dd05 of the plan set (Attachment 5), as shown in Figure 2 below.

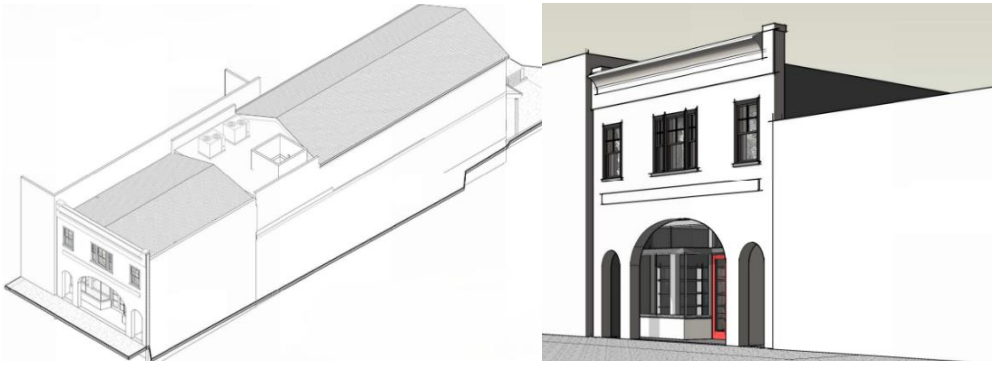


**Figure 2 – 3D Renderings from Ground Level (Top / Front View)**

As was common for emerging settlements in the 1800s, several of the buildings on Sutter Street utilize the Western False Front architectural form wherein the front façade of the building contains a flat parapet, with a gabled roof hidden behind it. In recognition of this historic form of construction, the Historic District Design and Development Guidelines (DDGs) state that, generally in the Sutter Street Subarea, parapets should be used to screen roof and roof top elements. The project will not change the look of the public facing front elevation of the building, and the proposed addition and rooftop mechanical well would not be visible from public view on Sutter Street due to screening provided by the existing parapet and roof. The height of building with the proposed addition (appx. 32.5 feet) is anticipated to be lower than the peak height of the Folsom Hotel (703 Sutter Street), located adjacent to the project site to the east. Visual impacts will primarily be at the rear elevation of the building along the alley, where the project is proposed.

On the rear elevation, the project has the appearance of a two-story gabled structure. The rear addition has a similar form to the rear elevations of other commercial buildings on Sutter Street, as shown in Figure 3 below, and staff have determined that the building form of the rear addition is compatible with other commercial buildings on Sutter Street.

**Figure 3 – Rear Elevation Comparison (Project / 726 Sutter Street)**

The project proposes using vertically oriented, double-hung, gridded windows, compliant

with the window guidelines in the Historic Commercial Design Criteria of the DDGs. This includes using windows that are vertically oriented, with each window not exceeding 5-foot width, and having a double-hung function.

Overall, the proposed form and design of the project has been determined to be compatible with surrounding historic commercial development in the Sutter Street Subarea, and consistent with the DDGs.

Colors and Materials

The Building Materials Palette of the DDGs provides a list of what is considered appropriate or inappropriate materials for certain building elements. The table below shows whether the proposed exterior materials are considered appropriate in this palette:

| Building Materials Palette (Appendix D of DDGs) | | |
|---|---|---|
| **Building Element** | **Proposed Materials** | **Appropriate / Inappropriate** |
| **Exterior Walls** | Stucco Cladding (i.e., Cement Plaster) | Appropriate |
| **Roof Materials (Main Roof)** | Composition Shingles | Appropriate |
| **Roof Materials (Rear Porch)** | Corrugated Metal | *Appropriate per Section B.14(b) of the Historic Commercial Design Criteria of DDGs* |
| **Windows** | Wood Frame with Clear Glass | Appropriate |

Although the DDGs do not provide specific color recommendations for buildings in the Historic District, with the exception for some building elements, staff have compared the project with the existing building and with nearby commercial buildings to determine the compatibility of the project. Staff's findings are provided in the table below:

| Color Scheme Compatibility | | |
|---|---|---|
| **Building Element** | **Proposed Colors** | **Compatibility** |
| **Exterior Walls** | "Sunbleached" (SW 9585) Stucco | Consistent with Existing Building |
| **Roof Colors (Main Roof)** | Black Composition Shingles | Compliant with DDGs |
| **Roof Colors (Rear Porch)** | Dark Bronze Corrugated Metal | Compatible with Other Metal Roof Colors on Sutter Street |
| **Window Frames** | "Iron Ore" (SW 7069) Wood Frames | Consistent with Existing Building |

Overall, staff have determined that the proposed project's colors and materials are both consistent with the DDGs as well as compatible with both the existing building as well as with surrounding commercial buildings.

**Intended Use**

As discussed in the Statement of Intended Use provided in Attachment 6, Ruby's Books intends to use the property as a bookstore, and to use the proposed addition for a children's section, reading room, and minor associated activities. Bookstores are allowed by right in the Sutter Street Subarea. Condition 11 has been provided stating that should the business propose to have entertainment activities in the future that are subject to FMC 5.90 (Entertainment Permit), that an Entertainment Permit shall be obtained prior to these entertainment activities.

**Parking Requirements**

Pursuant to Government Code Section 65863.2 (AB 2097), parking is not required for developments located within 0.5 miles of a public transit stop. As such, the project is not subject to parking requirements. No dedicated parking spaces are currently provided on-site, and customers are anticipated to utilize existing public parking in the vicinity. As the business is relocating from another location in the Sutter Street Subarea, no new or additional parking impacts are anticipated.

**Environmental Review**

The project is categorically exempt under Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines, which exempts additions to existing structures provided that the addition will not result in an increase of more than 10,000 square feet if the project is located in an area where all public services and facilities are available to allow for maximum development permissible in the General Plan, and if the area is not environmentally sensitive (Cal. Code Regs. Tit. 14, § 15301(e)(2).). The previous use of the property was for an art gallery and studio (retail commercial) and the proposed use is a bookstore (retail commercial). The project is located in an urban developed area. As the project site involves a 2,280 square-foot addition in an already developed part of the City with access to public services and facilities, such as water, sewer, electricity, and street access; is not located in an environmentally sensitive area; and results in a negligible expansion of a retail commercial use, the project qualifies for this exemption.

For these same reasons, the project is also exempt from CEQA under Section 15061(b)(3) (Common Sense Exemption), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (Cal. Code Regs. Tit. 14, § 15061(b)(3).)

Based on staff's analysis of this project, none of the exceptions in Section 15300.2 of the CEQA Guidelines apply to the use of the categorical exemption in this case. These

exceptions include:

a. If the project is located in a Sensitive Environment where there is an impact to an environmental resource of hazardous or critical concern;
b. If there is a Cumulative Impact of successive projects of the same type in the same place over time is significant;
c. If there are activities where there is a reasonable possibility that the activity will have a Significant Effect on the environment due to unusual circumstances
d. If there is damage to scenic resources within a Scenic Highway;
e. If the project is located on a Hazardous Waste Site;
f. If there is a substantial adverse change in the significance of a Historical Resource.

Analysis: Sensitive Environments

The project is not located in any known sensitive environment and is not anticipated to have an impact on an environmental resource of hazardous or critical concern.

Analysis: Cumulative Impact

The project is not anticipated to have a significant cumulative impact in the area over time since the project is limited to the addition of commercial space within what is allowed under the Floor-Area-Ratio (FAR) specified by the Historic Folsom Mixed-Use (HF) General Plan Designation. Any further expansion would need to be reviewed and approved through design review.

Analysis: Significant Effect

The project is not anticipated to have an unusual or significant impact on the environment, as the project is seeking to expand an existing commercial building with an addition that matches the design and architecture of the building with a height similar to adjacent commercial buildings. Accordingly, there is no possibility that the project would have a significant effect on the environment beyond that of the existing commercial building.

Analysis: Scenic Highway

The project site is not located near a scenic highway nor would the project result in damage to scenic resources within a scenic highway.

Analysis: Hazardous Waste Sites

The project site is not listed on the Hazardous Waste and Substances Sites List.

Analysis: Historical Resources

The project site does not contain a listed historic resource, and has been determined ineligible for listing on the National Register. However, the property has associations with a significant local historical figure (Joe Murer), including a unique architectural style associated with this figure, and may potentially be eligible for listing on the City's Cultural

Resources Inventory. As the project does not propose to modify the front façade of the building, preserving the architectural significance of the structure, the project is not anticipated to have a substantial adverse effect on the significance of this potentially eligible historic resource.

Furthermore, a locally listed historic resource exists on an adjacent parcel (The Historic Ronchi Residence at 708 Figueroa Street) across the alley to the south, as shown in Figure 4 below. As the project proposes to match the design and architecture of the existing commercial structure, is approximately the same height as other buildings on Sutter Street, and is located approximately 133 feet away from The Historic Ronchi Residence, visual impacts are anticipated to be limited. Staff have determined that the project would not have an adverse impact on the historic significance of The Historic Ronchi Residence at 708 Figueroa Street.

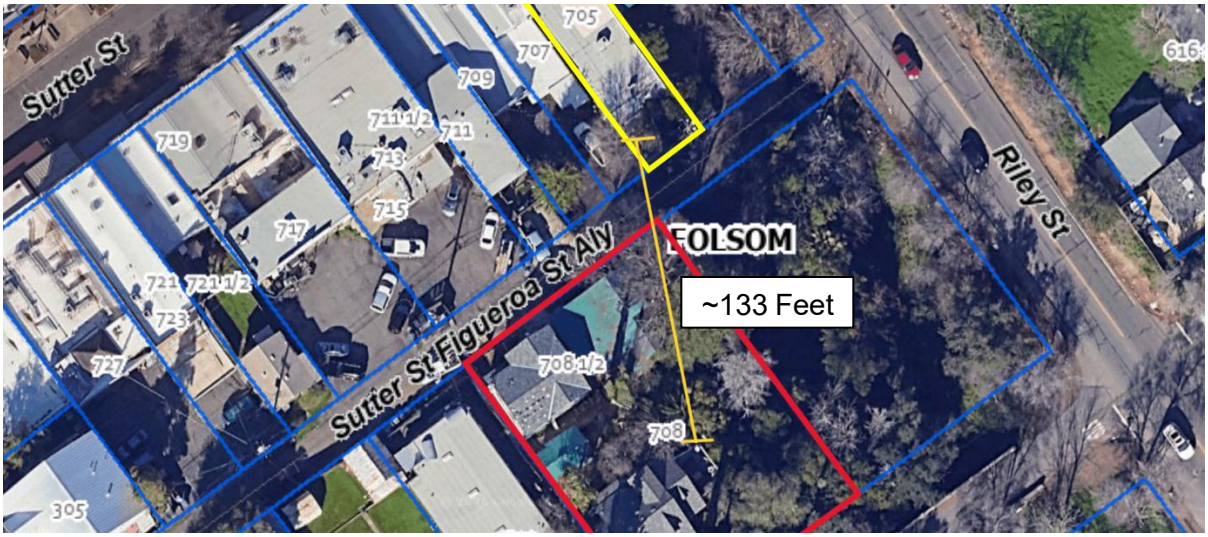



Figure 4 – Rochi Residence (Red) and Project Site (Yellow)

**Public Comments**

As of the writing of this report, no public comments have been received.

**Conclusion**

Staff has determined that the overall design, colors, materials, and layout of the proposed commercial addition can be successfully incorporated into quality commercial design and are compatible with the existing commercial character in the project vicinity and is generally consistent with the Design and Development Guidelines for the Sutter Street Subarea of the Historic Commercial Primary Area. Staff has concluded that the applicant has met the design standards identified in the Folsom Municipal Code and the design guidelines in the Historic District Design and Development Guidelines. Staff recommend approval of the proposed project, subject to the attached conditions of approval.

**Recommendation / Planning Commission Action**

Move to recommend confirming staff's determination that Ruby's Books Commercial Addition Project is exempt from CEQA under Sections 15301 (Existing Facilities) and 15061(b)(3) (Common Sense Exemption); and recommend approval of an application (DRCL26-00079) for design review for a 2,280 square-foot rear commercial addition located at 705 Sutter Street, based on the findings (Findings A-F), and subject to the conditions of approval (Conditions 1-11) attached to this report.

**GENERAL FINDINGS**

A. NOTICE OF PUBLIC HEARING HAS BEEN GIVEN AT THE TIME AND IN THE MANNER REQUIRED BY STATE LAW AND CITY CODE.

B. THE PROJECT IS CONSISTENT WITH THE GENERAL PLAN AND THE ZONING CODE OF THE CITY.

**CEQA FINDINGS**

C. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER SECTION 15301 (EXISTING FACILITIES) AND UNDER SECTION 15061 (COMMON SENSE) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES.

D. NONE OF THE EXCEPTIONS LISTED UNDER CEQA GUIDELINES SECTION 15300.2 ARE PRESENT.

**DESIGN REVIEW FINDINGS**

E. THE BUILDING MATERIALS, TEXTURES AND COLORS USED IN THE PROPOSED PROJECT ARE COMPATIBLE WITH SURROUNDING DEVELOPMENT AND ARE CONSISTENT WITH THE GENERAL DESIGN THEME OF THE NEIGHBORHOOD.

F. THE PROPOSED PROJECT IS IN CONFORMANCE WITH THE HISTORIC DISTRICT DESIGN AND DEVELOPMENT GUIDELINES ADOPTED BY THE CITY COUNCIL.

**ATTACHMENT 2**
**PROJECT SITE INFORMATION**

| | |
|---|---|
| **General Plan Designation** | Historic Folsom, Mixed-Use (HF) |
| **Zoning** | Sutter Street Subarea (SUT) of the Historic District Zoning District (HD) |
| **Adjacent Uses / Zoning** | North: Commercial / Sutter Street Subarea (SUT) of the Historic District Zoning District (HD)<br><br>South: Residential / Two-Family Zoning District (R-2) within the Figueroa Subarea (FIG) of the Historic District<br><br>East: Commercial / Sutter Street Subarea (SUT) of the Historic District Zoning District (HD)<br><br>West: Commercial / Sutter Street Subarea (SUT) of the Historic District Zoning District (HD) |
| **Site Characteristics** | The project site contains an existing two-story 4,125 square-foot retail commercial building on a 3,906-square-foot (0.09-acre) parcel. |
| **Applicable Policies and Rules** | FMC Chapter 17.52, HD, Historic District<br>FMC Section 17.52.300, Design Review<br>FMC Chapter 17.52.510, Sutter Street Subarea Special Use and Design Standards<br>Historic District Design and Development Guidelines (DDG's)<br>Government Code Section 65863.2, Adoption of Regulations (Parking Requirements) |

# Attachment 3
# Conditions of Approval

| CONDITIONS OF APPROVAL FOR RUBY'S BOOKS COMMERCIAL ADDITION PROJECT (DRCL26-00079) 705 SUTTER STREET, DESIGN REVIEW | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **Condition of Approval** | **When Required** | **Responsible Department** |
| | | **GENERAL REQUIREMENTS** | | |
| 1. | | ***Final Development Plans***<br>The applicant shall submit final site development plans to the Community Development Department that shall substantially conform to the exhibits referenced below, as modified by these conditions of approval:<br>• Plan Set (Attachment 5)<br><br>This project approval is for the Ruby's Books Commercial Addition Project (DRCL26-00079) located at 705 Sutter Street, which includes design review for a 2,280 square-foot rear commercial addition as shown in Attachment 5. Implementation of the project shall be consistent with the above-referenced items as modified by these conditions of approval. | B | CD (P)(E) |
| 2. | | ***Community Development Department Subsequent Review***<br>Building plans shall be submitted to the Community Development Department for review and approval to ensure conformance with this approval and with relevant codes, policies, standards and other requirements of the City of Folsom. | B | CD (P)(E)(B) |
| 1. | | ***90-Day Protest Period***<br>The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d), these conditions constitute written notice of the amount of such fees, and a description of the dedications, reservations and other exactions.<br><br>The applicant is hereby notified that the 90-day protest period, commencing from the date of approval of the project, has begun. If the applicant fails to file a protest regarding any of the fees, dedication requirements, reservation requirements or other exaction contained in this notice, complying with all the requirements of Government Code Section 66020, the applicant will be legally barred from later challenging such exactions. | OG | CD (E)(P) |

| | | | | |
|---|---|---|---|---|
| 3. | | ***Indemnity for City***<br>The owner/applicant shall defend, indemnify, and hold harmless the City and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void, or annul any approval by the City or any of its agencies, departments, commissions, agents, officers, employees, or legislative body concerning the project. The City will promptly notify the owner/applicant of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within its unlimited discretion, participate in the defense of any such claim, action or proceeding if both of the following occur:<br>• The City bears its own attorney's fees and costs; and<br>• The City defends the claim, action or proceeding in good faith.<br>The owner/applicant shall not be required to pay or perform any settlement of such claim, action or proceeding unless the settlement is approved by the owner/applicant. | OG | CD (P)(E)(B) PW, PR, FD, PD |
| 4. | | ***Validity***<br>The project approval granted under this staff report shall remain in effect for two years from final date of approval (**Expires August 11, 2028**). Failure to obtain the relevant building or other permits within this time period, without the subsequent extension of this approval, shall result in the termination of this approval. The owner/applicant may file an application with the Community Development Department for an extension not less than 60 days prior to the expiration date of the approval, along with appropriate fees and necessary submittal materials pursuant to Folsom Municipal Code Section 17.52.350. If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, entitlement, demolition permit, sign permit or other construction permit required in connection with any of the activities or construction authorized by the project approvals, or to enjoin the project contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the project approval shall be tolled during the time that any litigation is pending, including any appeals. | OG | CD (P) |
| **DEVELOPMENT COSTS AND FEE REQUIREMENTS** | | | | |
| 5. | | ***Applicable Taxes, Fees, and Charges***<br>The owner/applicant shall pay all applicable taxes, fees and charges at the rate and amount in effect at the time such taxes, fees and charges become due and payable. | B | CD(P)(E) |

| | | | | |
|---|---|---|---|---|
| 6. | | ***Existing Assessments***<br>If applicable, the owner/applicant shall pay off any existing assessments against the property, or file necessary segregation request and pay applicable fees. | B | CD(E) |
| 7. | | ***Use of Outside Legal Counsel and Consultants***<br>The City, at its sole discretion, may utilize the services of outside legal counsel to assist in the implementation of this project, including, but not limited to, drafting, reviewing and/or revising agreements and/or other documentation for the project. If the City utilizes the services of such outside legal counsel, the applicant shall reimburse the City for all outside legal fees and costs incurred by the City for such services. The applicant may be required, at the sole discretion of the City Attorney, to submit a deposit to the City for these services prior to initiation of the services. The applicant shall be responsible for reimbursement to the City for the services regardless of whether a deposit is required. | OG | CD(P)(E) |
| 8. | | ***Special Studies***<br>If the City utilizes the services of consultants to prepare special studies or provide specialized design review or inspection services for the project, the applicant shall reimburse the City for actual costs it incurs in utilizing these services, including administrative costs for City personnel. A deposit for these services shall be provided prior to initiating review of the improvement plans, or beginning inspection, whichever is applicable. | B | CD(P)(E) |
| **ARCHITECTURAL REQUIREMENTS** | | | | |
| 9. | | ***Architectural Requirements***<br>The project shall comply with the following requirements:<br>a) This approval is for the Ruby's Books Commercial Addition Project (DRCL26-00079), which includes design review for a 2,280 square-foot rear commercial addition as shown in Attachment 5, located at 705 Sutter Street.<br>b) Any changes to the level of architectural detailing shown in Attachments 5, if not determined to be substantially consistent with the approved plans by the Community Development Department, shall be subject to a subsequent design review.<br>c) A Building Permit shall be required.<br>All Conditions of Approval as outlined herein shall be made as a note or separate sheet on the Construction Drawings. | OG | CD (P)(E); PW |

| NOISE REQUIREMENT | | | | |
|---|---|---|---|---|
| 10. | | ***Noise Ordinance***<br>Compliance with the City of Folsom Noise Control Ordinance (FMC 8.42), General Plan Safety & Noise Element and Standard Construction Specifications and Details Section 7.23 is required. Hours of construction operation shall be limited from 7:00 a.m. to 6:00 p.m. on weekdays and 8:00 a.m. to 5:00 p.m. on Saturdays. No construction is permitted on Sundays or holidays. Request to work during days and times not permitted under these regulations may only occur with written permission from the City of Folsom Community Development Director or duly authorized deputy. | I, B | CD (P)(E) |
| 11. | | ***Entertainment Permit***<br>The Ruby's Books shall obtain an Entertainment Permit should the business propose to have entertainment activities subject to this permit in accordance with FMC 5.90. | | |

| RESPONSIBLE DEPARTMENT | | WHEN REQUIRED | |
|---|---|---|---|
| CD<br>(P)<br>(E)<br>(B)<br>(A) | Community Development Department<br>Planning Division<br>Engineering Division<br>Building Division<br>Arborist Division | I | Prior to approval of Improvement Plans |
| | | M | Prior to approval of Final Map |
| | | B | Prior to issuance of first Building Permit |
| | | O | Prior to approval of Occupancy Permit |
| | | G | Prior to issuance of Grading Permit |
| PW | Public Works Department | DC | During construction |
| PR | Park and Recreation Department | OG | On-going requirement |
| PD | Police Department | | |
| FD | Fire Department | | |
| UT | Utilities | | |

# Attachment 4
# Vicinity Map

Traders Ln
FOLSOM
Sutter St
Wool St
Sutter St Figueroa St Aly
Riley St
Peddlers Ln
Figueroa St
Figueroa St
702
710
716
719
718
727
722
720
721
726
731
732
1/2
728
732
729
713
711
711
1/2
707
709
705
703
302
717
715
721
721 1/2
723
727
731
729
708 1/2
708
710
712
714
305
801
805
803
807
303
627
307
309
625
629
611
609
607
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602
306
612 1/2
610 1/2
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616 1/2
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403
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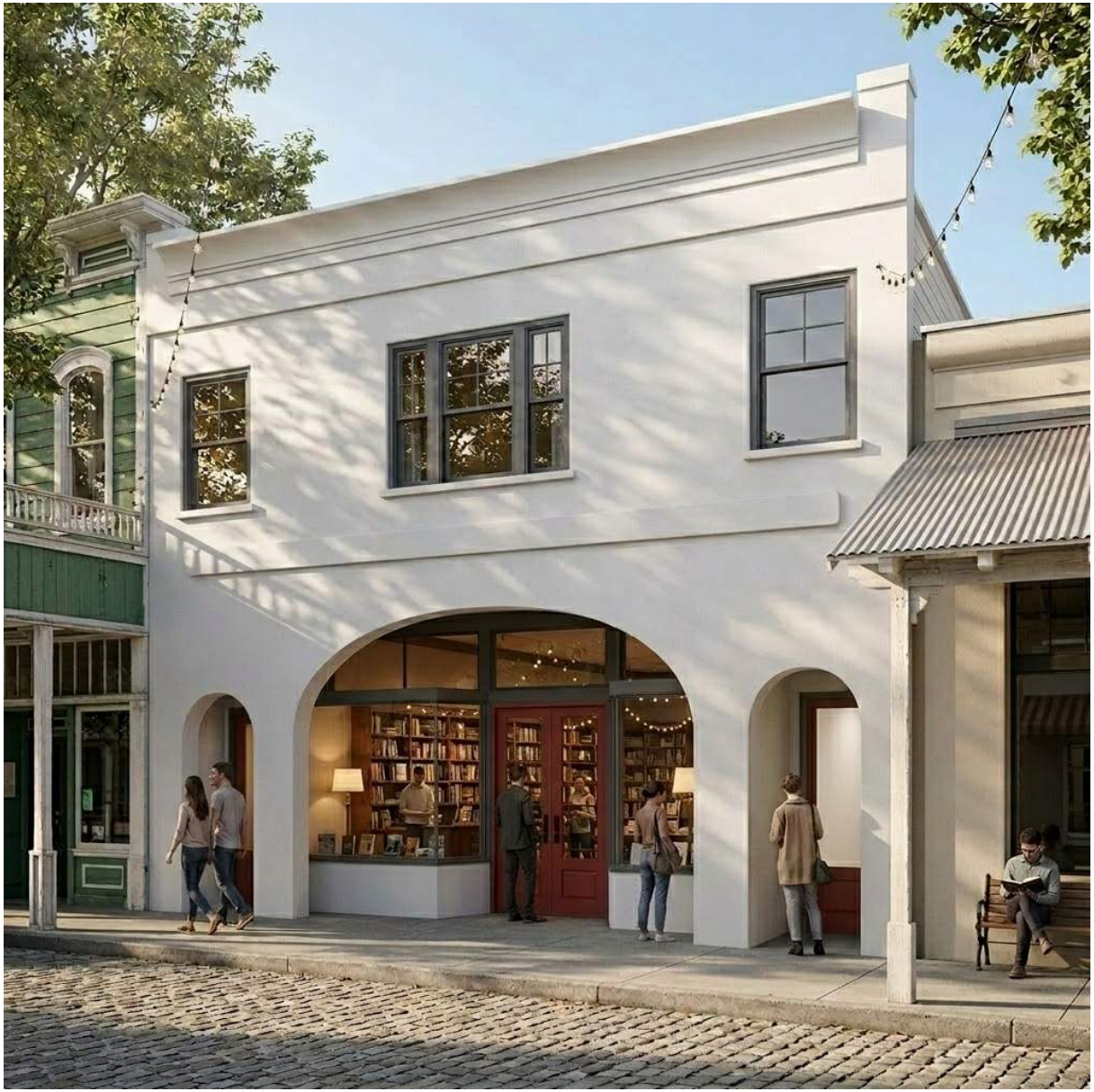
616 1/2
612 1/2

# Attachment 5
# Plan Set



## PROJECT DATA

Ruby's Books returns 705 Sutter Street to active retail use through the adaptive reuse of the existing one-story building and the addition of a new second story for a children's section, event space, and reading room. The addition is conceived as contemporary detailing on a traditional form: a pitched gable roof, stucco cladding, and accent materials at the gable ends — drawn directly from the vocabulary of the 700 block. The new ridge sits higher than the existing roof at a steeper 6:12 pitch to accommodate the second-floor program while maintaining the low-rise, pitched-roof rhythm of the surrounding Historic District. Mechanical equipment is concealed within a recessed roof well at the rear of the building. The project preserves the existing footprint, sidewalk relationship, and address presence on Sutter Street, and complies with the California Historical Building Code.

**Parcel Information**
APN: 070-0105-010
Address: 705 SUTTER STREET - HISTORIC FOLSOM
City: FOLSOM
Zip Code: 95630

**City Zoning**
Zone: HD-HISTORIC

**Parcel Area:**
3906 SF / 0.09 AC

**Gross Building Area (EXISTING / PROPOSED):**
3125 sq ft (1st floor) / 3125 sq ft (1st floor)
1000 sq ft (2nd floor) / 3280 sq ft (2nd floor)
4125 sq ft (total) / 6405 sq ft (total)

**Proposed Second Floor Addition:**
2280 sq ft.

**Year Built:**
1915

**Stories:**
2

## PROJECT TEAM

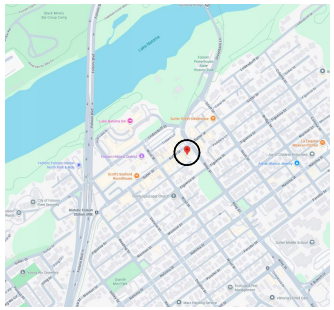
**OWNER**
Stacy Gould
Ruby's Books
705 Sutter Street
Folsom, CA 95630
530-574-3617
stacy@rubysfolsom.com

**ARCHITECT**
Edward Mojica SARA / NCARB
514 Oak Street
Roseville, CA 95678
916-765-2956
ed.mojica@designmas.com

**STRUCTURAL ENGINEER**
Tim McPartland
ATM Engineering
2525 East Bidwell Street
Folsom, CA 95630
916-859-7300 office
916-844-6828 cell
tmcpartland@ATMENGINEERING.COM

**CONTRACTOR**
Rod Thayer - President & CEO
OMNI Structures & Management, Inc
102 Center Street
Roseville, CA 95678
Phone: 916-787-1121
rthayer@omnisms.com

## VICINITY MAP - 705 SUTTER STREET



**MAS** | MOJICA ARCHITECTURE STUDIO
514 OAK STREET
ROSEVILLE | CALIFORNIA | 95678
916.783.6277

# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

Cover Sheet

dd00

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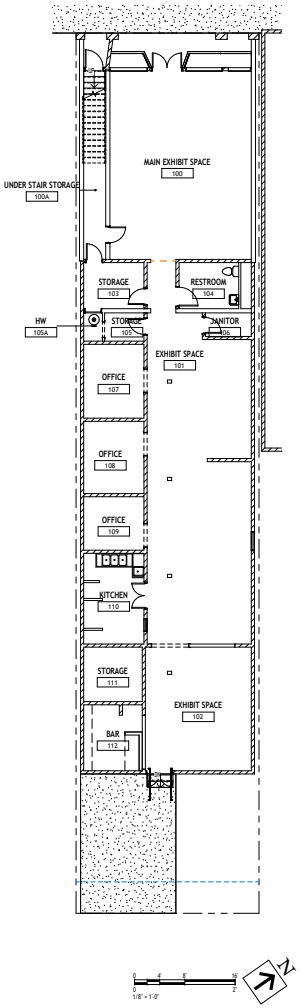
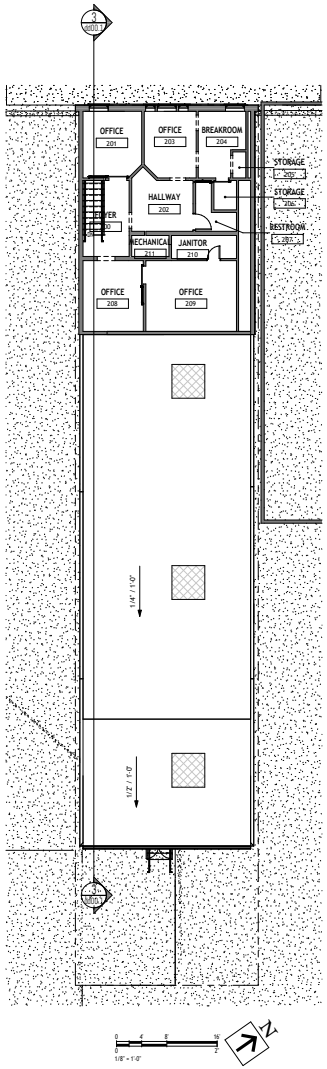



1 | First Floor Existing Architectural Plan
dd00.1 | 1/8" = 1'-0"




2 | Second Floor Existing Architectural Plan
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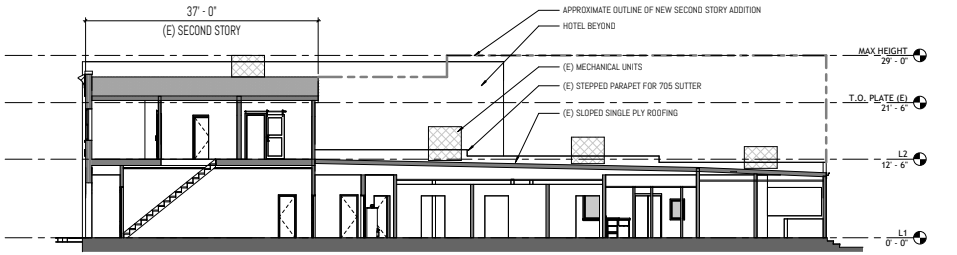


3 | Existing Building Section
dd00.1 | 1/8" = 1'-0"

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# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

Existing Architectural Plans

dd00.1

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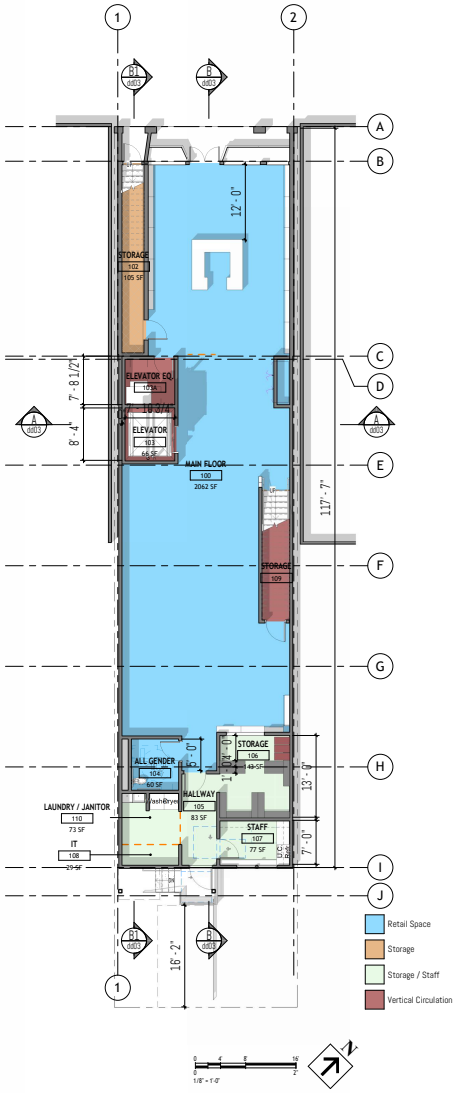
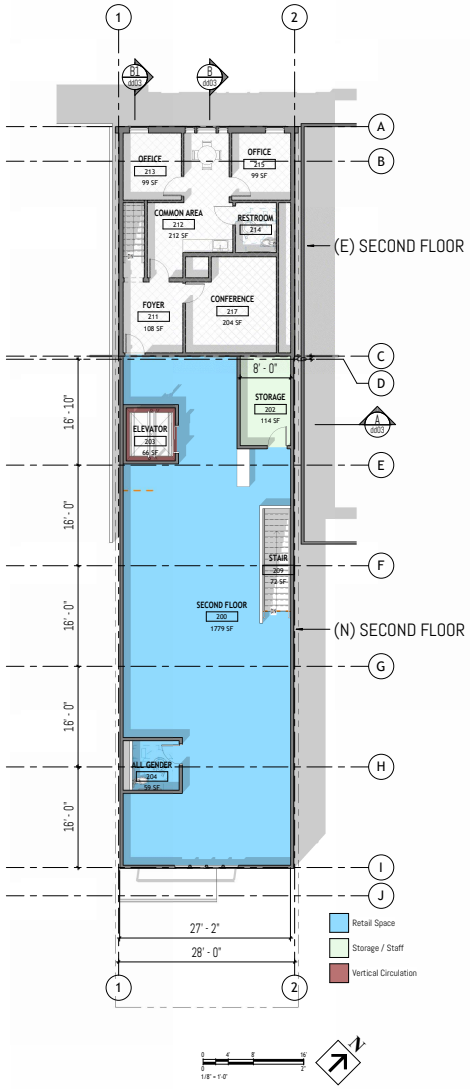
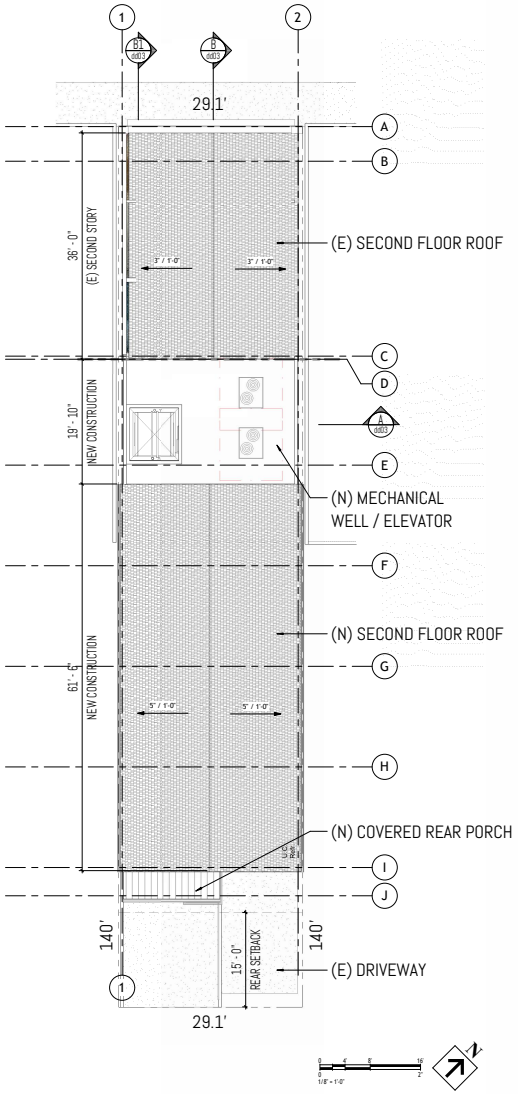
08/11/2026 Item No.10.




2 | First Floor Architectural Plan
dd01 | 1/8" = 1'-0"




3 | Second Floor Architectural Plan
dd01 | 1/8" = 1'-0"




1 | Site Plan / Roof Plan
dd01 | 1/8" = 1'-0"

705 SUTTER STREET
APN: 070-0105-010 **Parcel Area:**
3906 SF / 0.09 AC

**Gross Building Area (EXISTING / PROPOSED):**
3125 sq ft (1st floor) / 3125 sq ft (1st floor)
1000 sq ft (2nd floor) / 3280 sq ft (2nd floor)
4125 sq ft (total) / 6405 sq ft (total)

**Proposed Second Floor Addition:**
2280 sq ft.

**Year Built:**
1915

**Stories:**
2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# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

Architectural Plans - Proposed

dd01

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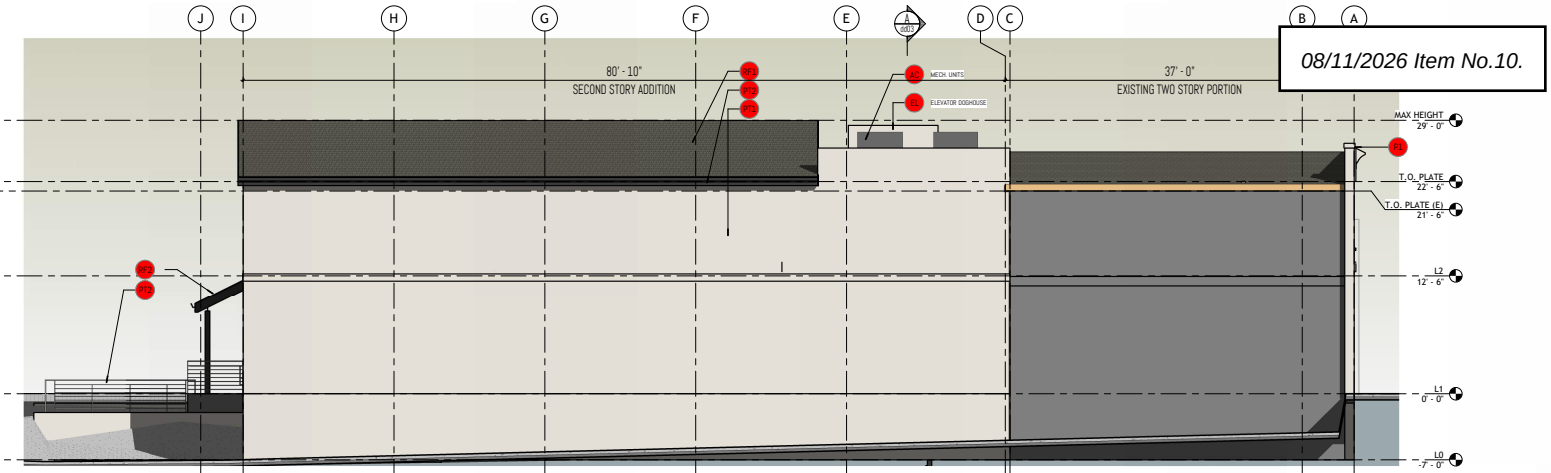
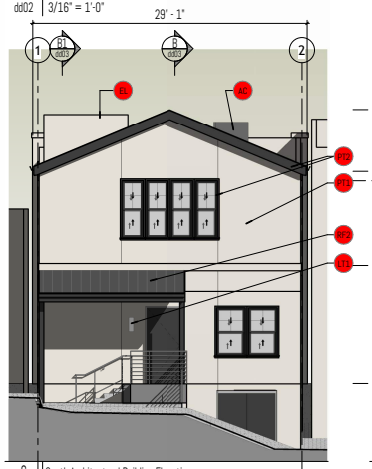
08/11/2026 Item No.10.

FRONT ELEVATION - WINDOWS TO REMAIN AS-IS, REPAIR AND REPAINT ONLY. FRONT DOORS TO OPEN OUT IN DIRECTION OF EGRESS. EXTERIOR PAINT TO MATCH COLOR LISTED.

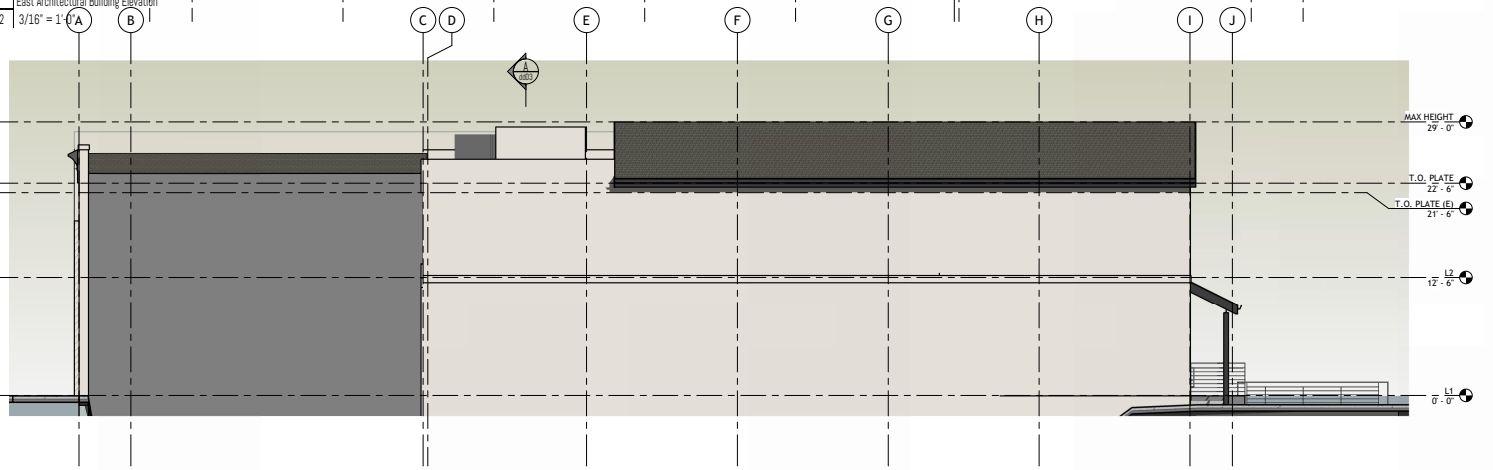
N | North Architectural Building Elevation
dd02 | 3/16" = 1'-0"




E | East Architectural Building Elevation
dd02 | 3/16" = 1'-0"




S | South Architectural Building Elevation
dd02 | 3/16" = 1'-0"




W | West Architectural Building Elevation
dd02 | 3/16" = 1'-0"

| SW 9585 | SW 7069 |
|---|---|
| Sunbleached | Iron Ore |
| FULL DETAILS | FULL DETAILS |
| LRV: 75 | LRV: 6 |
| RGB: 229 / 224 / 215 | RGB: 67 / 67 / 65 |
| Hex Value: #E5E0D7 | Hex Value: #434341 |
| | Location Number: 251-C7 |

PT1 MAIN BODY PAINT | PT2 ACCENT PAINT | RF1 ROOF SHINGLE | RF2 METAL ROOF OVERHANG | EL1 WALL SCONCE | W WINDOW - SIERRA PACIFIC PREMIUM DOUBLE HUNG TO MATCH FRONT ELEVATION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# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

Architectural Elevations

dd02

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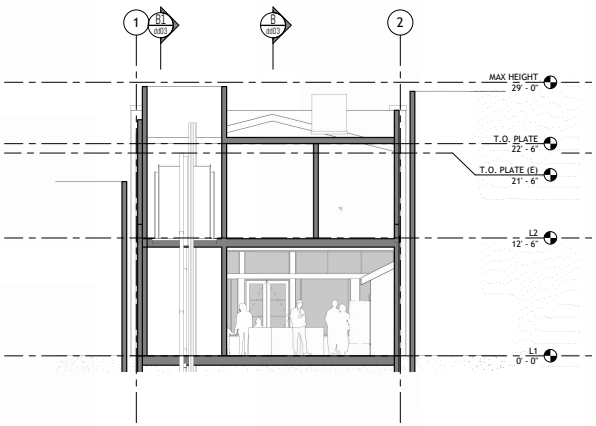
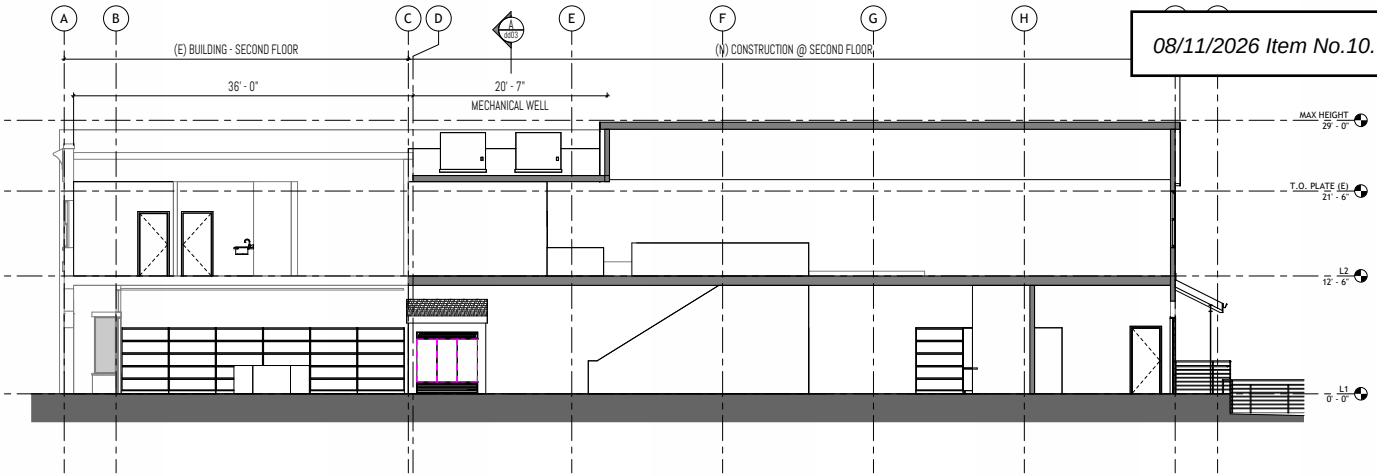
08/11/2026 Item No.10.




A | Section A
dd03 | 3/16" = 1'-0"




B | Section B
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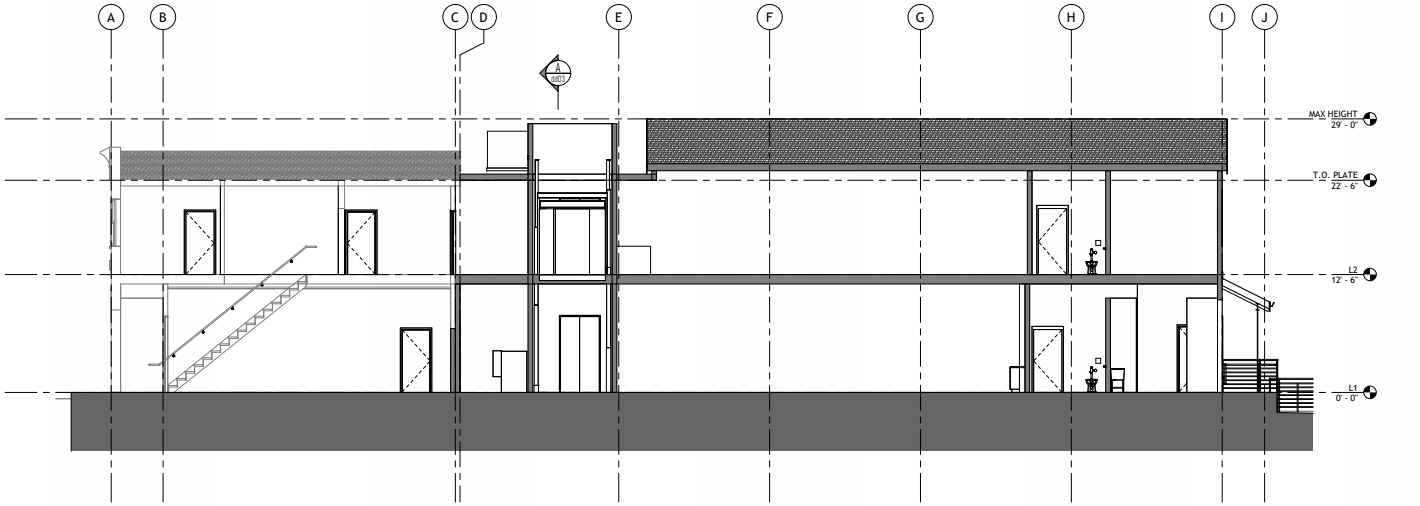


B1 | Section B1
dd03 | 3/16" = 1'-0"


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# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

Architectural Sections

dd03

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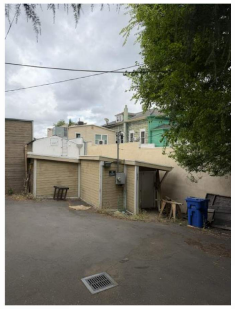
08/11/2026 Item No.10.

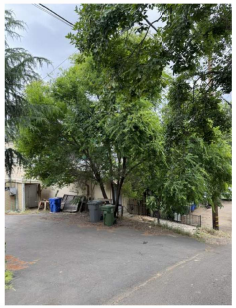
1 | Site Plan / Roof Plan
dd04 | 1" = 10'-0"

view A

view B



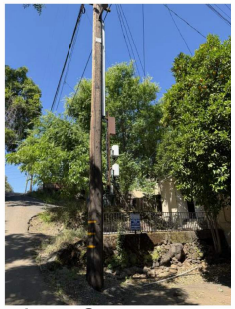
view 2



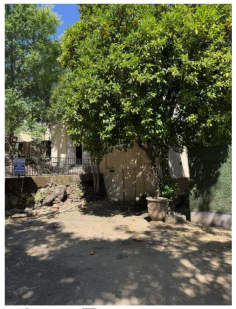
view 3

view 4

view 5

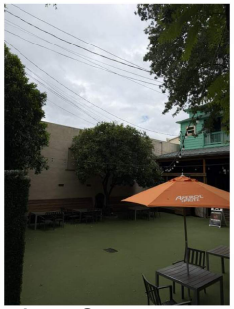


view 6



view 7

view 8



view 9

MAS | MOJICA ARCHITECTURE STUDIO
514 OAK STREET
ROSEVILLE | CALIFORNIA | 95678
916.783.6277

# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

06/12/26

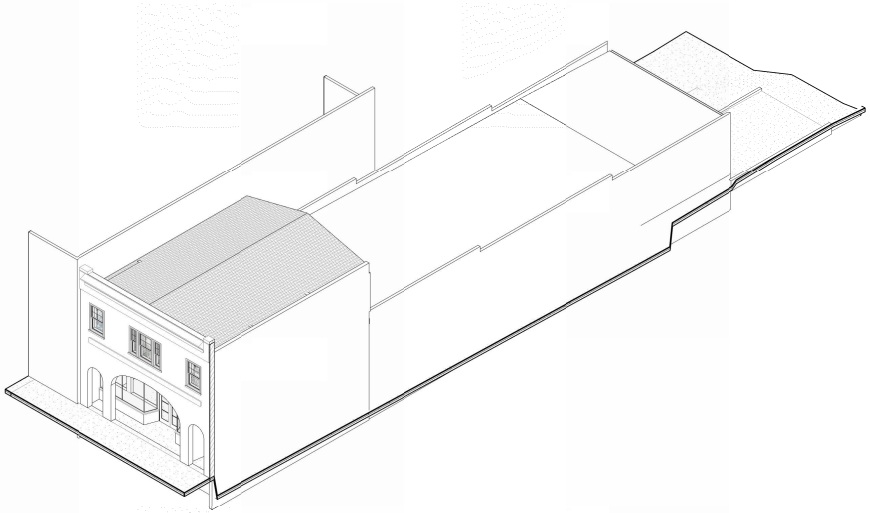
Photographs

dd04

PRINTED ON: 6/18/2026 3:56:03 PM

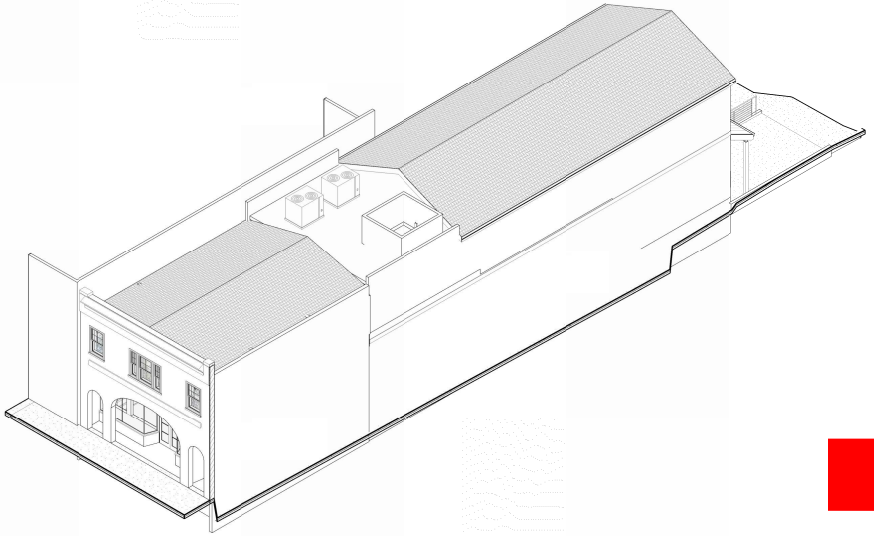
08/11/2026 Item No.10.

1 | 3D View 1
dd05



2 | 3D - EXISTING
dd05

4 | 3D View 12
dd05



3 | 3D - PROPOSED
dd05

# RUBY'S BOOKS

Ruby's Books
705 Sutter Street
Folsom, CA 95630
APN: 070-0105-010 | COUNTY OF SACRAMENTO

MAS | MOJICA ARCHITECTURE STUDIO
514 OAK STREET
ROSEVILLE | CALIFORNIA | 95678
916.783.6277

06/12/26

3d Images

dd05

PRINTED ON: 6/18/2026 3:56:08 PM

# Attachment 6
# Statement of Intended Use

## Nathan Stroud

**From:** ed.mojica@designmas.com
**Sent:** Saturday, June 20, 2026 12:09 PM
**To:** Nathan Stroud
**Subject:** Re: DRCL26-00079: Addition and renovation of 705 Sutter Street

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

From Stacy:
(Business Owner)

Hi Nathan,

Thanks for reaching out — happy to clarify how we plan to use the space.

Ruby's Books has been part of the Folsom Historic District for nearly six years, and at 705 Sutter we'll simply continue hosting the same kinds of events we've always held in our store: conversations and signings with authors, craft nights, and such.

Please let me know if there's anything else you need ahead of the hearing.

Best,
Stacy

Thanks!

Ed

Edward Mojica, Registered Architect [ca / co / nv] | SARA | NCARB | NOMA
C28430 | ARC.00409021 | NV6775
President | CEO

514 Oak Street, Roseville, CA 95678
E ed.mojica@designmas.com

T 916.783.6277
C 916.765.2956

# Attachment 3

| CONDITIONS OF APPROVAL FOR RUBY'S BOOKS COMMERCIAL ADDITION PROJECT (DRCL26-00079) 705 SUTTER STREET, DESIGN REVIEW | | | | |
|---|---|---|---|---|
| **Cond. No.** | **Mitigation Measure** | **Condition of Approval** | **When Required** | **Responsible Department** |
| | | **GENERAL REQUIREMENTS** | | |
| 1. | | ***Final Development Plans***<br>The applicant shall submit final site development plans to the Community Development Department that shall substantially conform to the exhibits referenced below, as modified by these conditions of approval:<br>• Plan Set (Attachment 5)<br><br>This project approval is for the Ruby's Books Commercial Addition Project (DRCL26-00079) located at 705 Sutter Street, which includes design review for a 2,280 square-foot rear commercial addition as shown in Attachment 5. Implementation of the project shall be consistent with the above-referenced items as modified by these conditions of approval. | B | CD (P)(E) |
| 2. | | ***Community Development Department Subsequent Review***<br>Building plans shall be submitted to the Community Development Department for review and approval to ensure conformance with this approval and with relevant codes, policies, standards and other requirements of the City of Folsom. | B | CD (P)(E)(B) |
| 3. | | ***90-Day Protest Period***<br>The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d), these conditions constitute written notice of the amount of such fees, and a description of the dedications, reservations and other exactions.<br><br>The applicant is hereby notified that the 90-day protest period, commencing from the date of approval of the project, has begun. If the applicant fails to file a protest regarding any of the fees, dedication requirements, reservation requirements or other exaction contained in this notice, complying with all the requirements of Government Code Section 66020, the applicant will be legally barred from later challenging such exactions. | OG | CD (E)(P) |

| | | | | |
|---|---|---|---|---|
| 4. | | ***Indemnity for City***<br>The owner/applicant shall defend, indemnify, and hold harmless the City and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void, or annul any approval by the City or any of its agencies, departments, commissions, agents, officers, employees, or legislative body concerning the project. The City will promptly notify the owner/applicant of any such claim, action or proceeding, and will cooperate fully in the defense. The City may, within its unlimited discretion, participate in the defense of any such claim, action or proceeding if both of the following occur:<br>• The City bears its own attorney's fees and costs; and<br>• The City defends the claim, action or proceeding in good faith.<br>The owner/applicant shall not be required to pay or perform any settlement of such claim, action or proceeding unless the settlement is approved by the owner/applicant. | OG | CD (P)(E)(B) PW, PR, FD, PD |
| 5. | | ***Validity***<br>The project approval granted under this staff report shall remain in effect for two years from final date of approval (**Expires August 11, 2028**). Failure to obtain the relevant building or other permits within this time period, without the subsequent extension of this approval, shall result in the termination of this approval. The owner/applicant may file an application with the Community Development Department for an extension not less than 60 days prior to the expiration date of the approval, along with appropriate fees and necessary submittal materials pursuant to Folsom Municipal Code Section 17.52.350. If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, entitlement, demolition permit, sign permit or other construction permit required in connection with any of the activities or construction authorized by the project approvals, or to enjoin the project contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the project approval shall be tolled during the time that any litigation is pending, including any appeals. | OG | CD (P) |
| **DEVELOPMENT COSTS AND FEE REQUIREMENTS** | | | | |
| 6. | | ***Applicable Taxes, Fees, and Charges***<br>The owner/applicant shall pay all applicable taxes, fees and charges at the rate and amount in effect at the time such taxes, fees and charges become due and payable. | B | CD(P)(E) |

| | | | | |
|---|---|---|---|---|
| 7. | | ***Existing Assessments***<br>If applicable, the owner/applicant shall pay off any existing assessments against the property, or file necessary segregation request and pay applicable fees. | B | CD(E) |
| 8. | | ***Use of Outside Legal Counsel and Consultants***<br>The City, at its sole discretion, may utilize the services of outside legal counsel to assist in the implementation of this project, including, but not limited to, drafting, reviewing and/or revising agreements and/or other documentation for the project. If the City utilizes the services of such outside legal counsel, the applicant shall reimburse the City for all outside legal fees and costs incurred by the City for such services. The applicant may be required, at the sole discretion of the City Attorney, to submit a deposit to the City for these services prior to initiation of the services. The applicant shall be responsible for reimbursement to the City for the services regardless of whether a deposit is required. | OG | CD(P)(E) |
| 9. | | ***Special Studies***<br>If the City utilizes the services of consultants to prepare special studies or provide specialized design review or inspection services for the project, the applicant shall reimburse the City for actual costs it incurs in utilizing these services, including administrative costs for City personnel. A deposit for these services shall be provided prior to initiating review of the improvement plans, or beginning inspection, whichever is applicable. | B | CD(P)(E) |
| **ARCHITECTURAL REQUIREMENTS** | | | | |
| 10. | | ***Architectural Requirements***<br>The project shall comply with the following requirements:<br>a) This approval is for the Ruby's Books Commercial Addition Project (DRCL26-00079), which includes design review for a 2,280 square-foot rear commercial addition as shown in Attachment 5, located at 705 Sutter Street.<br>b) Any changes to the level of architectural detailing shown in Attachments 5, if not determined to be substantially consistent with the approved plans by the Community Development Department, shall be subject to a subsequent design review.<br>c) A Building Permit shall be required.<br>***d)*** **<u>The rear porch shall utilize a standing seam metal roof, as shown in the elevations and renderings provided in Attachment 5.</u>** ***(This condition was added at the 8/5/26 Historic District Commission meeting)*** | OG | CD (P)(E); PW |

| | | | | |
|---|---|---|---|---|
| | | All Conditions of Approval as outlined herein shall be made as a note or separate sheet on the Construction Drawings. | | |
| **NOISE REQUIREMENT** | | | | |
| 11. | | ***Noise Ordinance***<br>Compliance with the City of Folsom Noise Control Ordinance (FMC 8.42), General Plan Safety & Noise Element and Standard Construction Specifications and Details Section 7.23 is required. Hours of construction operation shall be limited from 7:00 a.m. to 6:00 p.m. on weekdays and 8:00 a.m. to 5:00 p.m. on Saturdays. No construction is permitted on Sundays or holidays. Request to work during days and times not permitted under these regulations may only occur with written permission from the City of Folsom Community Development Director or duly authorized deputy. | I, B | CD (P)(E) |
| 12. | | ***Entertainment Permit***<br>The Ruby's Books shall obtain an Entertainment Permit should the business propose to have entertainment activities subject to this permit in accordance with FMC 5.90. | OG | CD (P) |

| RESPONSIBLE DEPARTMENT | | WHEN REQUIRED | |
|---|---|---|---|
| CD | Community Development Department | I | Prior to approval of Improvement Plans |
| (P) | Planning Division | M | Prior to approval of Final Map |
| (E) | Engineering Division | B | Prior to issuance of first Building Permit |
| (B) | Building Division | O | Prior to approval of Occupancy Permit |
| (A) | Arborist Division | G | Prior to issuance of Grading Permit |
| PW | Public Works Department | DC | During construction |
| PR | Park and Recreation Department | OG | On-going requirement |
| PD | Police Department | | |
| FD | Fire Department | | |
| UT | Utilities | | |

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11678 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Motorola Solutions to Procure Replacement Portable Radios and Ancillary Equipment for a Total Not to Exceed Amount of $144,160 from the Fire Vehicle/Equipment Fund (Fund 608) |
| **FROM:** | Fire Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Fire Department recommends that the City Council adopt Resolution No. 11678 – a resolution authorizing the City Manager to execute a purchase agreement with Motorola Solutions for the procurement of twenty (20) replacement portable radios and related accessory equipment in an amount not to exceed $144,160 from the Fire Vehicle/Equipment Fund (Fund 608).

## BACKGROUND / ISSUE

The Fire Department relies on Motorola portable radios as its primary means of fireground and emergency service communications. Reliable radio communications are a core life-safety requirement for incident command and coordination, including emergency traffic, mayday notifications, evacuation and withdrawal communications, unit accountability, and safe, effective operations during rapidly evolving incidents.

In 2019, Motorola advised customers that the Department's current radio model was entering end-of-support due to the release of newer technologies and system enhancements that are not compatible with the existing platform. As a result, Motorola no longer provides the programming support (including current code plug support) or the hardware and parts needed to maintain and repair these units. Over the past several years, the Fire Department has exhausted available aftermarket repair options and is now experiencing an increasing number of radio failures that cannot be repaired or returned to service.

## 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 $77,426 or greater shall be awarded by City Council.

Section 2.36.140, Sole Source Procurement of the Folsom Municipal Code states prior to submitting a purchase request, the requesting department shall conduct a survey of available sources to determine whether there is only one (1) source for the required supply, equipment, service or construction item. Upon review and approval by the Purchasing Agent, the Finance Director and City Manager, a contract may be awarded without competition. The purchasing agent, or his/her designee, shall conduct negotiations, as appropriate, as to price, delivery and terms. The requesting department shall prepare a waiver of bid and submit it to the purchasing agent for filing with the city clerk. (Ord. 723 § 3 (part), 1991)

Because Motorola portable radios and their programming are proprietary and must be compatible with the City's existing radio infrastructure, this purchase is recommended as a sole-source procurement consistent with the sole-source provisions of the City's purchasing policy.

## ANALYSIS

As radios fail and are removed from service, the Department's available inventory is reduced, limiting its ability to provide dependable communications to personnel assigned to first-out emergency response units and command staff. Continued attrition will further reduce the Department's ability to maintain adequate radio coverage on emergency incidents and during multi-unit operations, increasing risk to personnel and negatively affecting incident coordination.

The Department has pursued grant funding for a full replacement of the radio platform in recent years; however, those applications were not successful. To immediately address this escalating risk and maintain operational continuity, staff is requesting approval to purchase twenty (20) portable radios. This purchase represents a minimum, targeted replacement to restore reliable communications capability for daily operations. These radios will be assigned to all first-out emergency response units, including Chief Officers, ensuring dependable fireground communications and restoring an appropriate level of operational readiness.

Approval of this request will reduce risk to personnel, support effective incident command, and maintain the Department's ability to deliver safe and reliable emergency services to the community.

## FINANCIAL IMPACT

If approved, the purchase agreement with Motorola Solutions for twenty (20) portable radios, including associated accessories, programming, and applicable taxes and fees in the amount of $144,160 will be funded through the Fire Vehicle/Equipment Fund (Fund 608). Sufficient funds are budgeted and available in the Fire Vehicle/Equipment Fund (Fund 608) for the cost of the agreement.

## ENVIRONMENTAL REVIEW

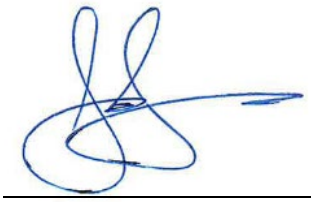
This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

## ATTACHMENTS

1. Resolution No. 11678 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Motorola Solutions to Procure Replacement Portable Radios and Ancillary Equipment for a Total Not to Exceed Amount of $144,160 from the Fire Vehicle/Equipment Fund (Fund 608)

2. Motorola Solutions Quote-3545876

Submitted,



Jason Solak, Fire Chief

Attachment 1

Resolution No. 11678 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Motorola Solutions to Procure Replacement Portable Radios and Ancillary Equipment for a Total Not to Exceed Amount of $144,160 from the Fire Vehicle/Equipment Fund (Fund 608)

# RESOLUTION NO. 11678

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AGREEMENT WITH MOTOROLA SOLUTIONS TO PROCURE REPLACEMENT PORTABLE RADIOS AND ANCILLARY EQUIPMENT FOR A TOTAL NOT TO EXCEED AMOUNT OF $144,160 FROM THE FIRE VEHICLE/EQUIPMENT FUND (FUND 608)

**WHEREAS,** the Fire Department relies on Motorola portable radios as its primary means of fireground and emergency service communications; and

**WHEREAS,** as radios fail and are removed from service, the Department's available inventory is reduced, limiting its ability to provide dependable communications to personnel assigned to first-out emergency response units and command staff; and

**WHEREAS,** these replacement radios will be assigned to all first-out emergency response units, including Chief Officers, ensuring dependable fireground communications and restoring an appropriate level of operational readiness; and

**WHEREAS**, the 20 replacement portable radios and ancillary equipment purchase agreement total does not exceed the amount of $144,160; and

**WHEREAS,** sufficient funds are budgeted and available in the Fire Vehicle/Equipment Fund (Fund 608); 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 purchase agreement with Motorola Solutions to procure replacement portable radios and ancillary equipment for a total not to exceed amount of $144,160 from the Fire Vehicle/Equipment Fund (Fund 608).

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

Motorola Solutions Quote-3545876

MOTOROLA SOLUTIONS

QUOTE-3545876
APX6000 XE (20)

Billing Address:
FOLSOM FIRE DEPARTMENT
FOLSOM FIRE DEPT
535 GLENN DR
FOLSOM, CA 95630
US

Shipping Address:
FIRE DEPARTMENT
535 GLENN DR
FOLSOM, CA 95630
US

Quote Date:03/13/2026
Expiration Date:07/26/2026
Quote Created By:
JAMES WYLIE
JAMES.WYLIE@
motorolasolutions.com
972-837-0008

End Customer:
FOLSOM FIRE DEPARTMENT
Daniel Rotheram
drotheram@folsom.ca.us
916.996.9185

Contract: 22575 - SACRAMENTO, CA
Payment Terms:30 NET

## Summary:

Any sales transaction resulting from Motorola's quote is based on and subject to the applicable Motorola Standard Terms and Conditions, notwithstanding terms and conditions on purchase orders or other Customer ordering documents. Motorola Standard Terms and Conditions are found at www.motorolasolutions.com/product-terms.

| Line # | Item Number | Description | Qty | List Price | Disc % | Sale Price | Ext. Sale Price |
|---|---|---|---|---|---|---|---|
| | APX™ 6000 Series | APX6000 XE | | | | | |
| 1 | H98UCF9PW6BN | PORTABLE RADIO APX6000 700/800 MODEL 2.5 | 20 | $3,924.00 | 25.0% | $2,943.00 | $58,860.00 |
| 1a | G996AU | ADD: PROGRAMMING OVER P25 (OTAP) | 20 | $118.00 | 25.0% | $88.50 | $1,770.00 |
| 1b | Q667BB | ADD: ADP ONLY (NON-P25 CAP COMPLIANT) (US ONLY) | 20 | $0.00 | 0.0% | $0.00 | $0.00 |
| 1c | Q361AR | ADD: P25 9600 BAUD TRUNKING | 20 | $353.00 | 25.0% | $264.75 | $5,295.00 |
| 1d | QA02006AA | PORTABLE RADIO ENH: APX6000XE RUGGED RADIO | 20 | $942.00 | 25.0% | $706.50 | $14,130.00 |
| 1e | Q58AL | ADD: 3Y ESSENTIAL SERVICE | 20 | $184.00 | 0.0% | $184.00 | $3,680.00 |
| 1f | QA07576AB | ALT: TIA4950 BATT IMPRES 2 LIION 4600MAH (PMNN4573A) | 20 | $204.48 | 25.0% | $153.36 | $3,067.20 |
| 1g | H38BT | ADD: SMARTZONE OPERATION | 20 | $1,412.00 | 25.0% | $1,059.00 | $21,180.00 |

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.
Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

MOTOROLA SOLUTIONS

QUOTE-3545876
APX6000 XE (20)

| Line # | Item Number | Description | Qty | List Price | Disc % | Sale Price | Ext. Sale Price |
|---|---|---|---|---|---|---|---|
| 1h | QA09113AB | ADD: BASELINE RELEASE SW | 20 | $0.00 | 0.0% | $0.00 | $0.00 |
| 1i | QA01427AB | ALT: IMPACT GREEN HOUSING | 20 | $30.00 | 25.0% | $22.50 | $450.00 |
| 1j | Q806BM | ADD: ASTRO DIGITAL CAI OPERATION | 20 | $607.00 | 25.0% | $455.25 | $9,105.00 |
| 1k | QA01768AA | SOFTWARE LICENSE ENH: ENHANCED ZONE BANK | 20 | $89.00 | 25.0% | $66.75 | $1,335.00 |
| 2 | PMMN4152B | XVE500 DIV 1 REMOTE SPEAKER MIC, HIGH IMPACT GREEN WITHOUT KNOB, UL | 20 | $756.00 | 26.0% | $559.44 | $11,188.80 |
| 3 | PMNN4573A | PORTABLE RADIO BATTERY IMPRES 2 LI-ION TIA4950 R IP68 4600T | 20 | $252.00 | 26.0% | $186.48 | $3,729.60 |

Subtotal $133,790.60

Estimated Tax $10,368.77

Grand Total $144,159.37(USD)

Notes:

Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the ""Underlying Agreement"") that authorizes Customer to purchase equipment and/or services or license software (collectively ""Products""). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **ITEM TITLE:** | Resolution No. 11681 - A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. for $99,511.75 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Mobile Column Lifts for Heavy Duty Vehicle Repairs |
| **FROM:** | Utilities Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends that the City Council pass and adopt Resolution No. 11681 - A Resolution Authorizing the City Manager to Execute an Agreement with Stertil-Koni USA, Inc. for $99,511.75 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Mobile Column Lifts for Heavy Duty Vehicle Repairs.

## BACKGROUND / ISSUE

The Utilities Department maintains a fleet of vehicles and equipment to provide efficient and reliable service throughout the city. A safe and reliable lift system is required to perform inspections, maintenance, and repairs of the heavy-duty fleet. The Fleet Division relies on two sets of six mobile column lifts to support this operation. Currently one of the sets is over 20 years old, has become obsolete and replacement parts are no longer available. The Division replaced the other set of similar condition last fiscal year; however, that set had to be retained to use as spare parts for the old set that is still in operation. The extra set of lifts is stored in a service bay making that space unavailable for repairs. This purchase will improve productivity and safety by providing staff with modern and reliable tools and free up shop space by allowing for the disposal of two complete sets of lifts.

The greatest need for the mobile column lifts system comes from the Waste and Recycling Division (Solid Waste). The Solid Waste fleet utilizes over 96% of the labor hours that require the mobile column lift system. To continue supporting the Solid Waste fleet, the department is requesting authorization to purchase a new mobile column lift system capable of raising these

vehicles off the ground to a height sufficient that repairs to the underside are feasible in a safe manner.

## POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $77,426 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

Sourcewell is a national cooperative purchasing entity of which the City of Folsom is a member. The city has purchased numerous items through Sourcewell. Steril-Koni USA, Inc. has a current contract with Sourcewell for mobile column lifts at a price that has been assessed to be fair, reasonable, and competitive. Municipal Maintenance Equipment is the local representative and distributor for Steril-Koni USA, Inc. Sourcewell contract number #121223-SKI will be utilized for the purchase of Steril-Koni USA, Inc. mobile column lifts.

## FINANCIAL IMPACT

If approved the agreement with Steril-Koni USA for the purchase of mobile column lifts for heavy duty vehicle repairs would be funded through the Solid Waste Operating Fund (Fund 540). Sufficient funds are budgeted and available in the Fiscal Year 2026-27 Solid Waste Operating Fund (Fund 540) for the purchase. The department is requesting that the contract be authorized for a not to exceed amount of $99,511.75. This price includes taxes and delivery.

## ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act. (CEQA).

## ATTACHMENTS

1. Resolution No. 11681 – A Resolution Authorizing the City Manager to Execute an Agreement with Steril-Koni USA, Inc. for $99,511.75 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Mobile Column Lifts for Heavy Duty Vehicle Repairs

2. Quote and specifications from Stertil-Koni USA, Inc. for a set of six column lifts.

Submitted,

Marcus Yasutake, Utilities Director

Attachment 1

# RESOLUTION NO. 11681

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH STERTIL-KONI USA, INC. FOR $99,511.75 FROM THE SOLID WASTE OPERATING FUND (FUND 540) FOR THE PURCHASE OF MOBILE COLUMN LIFTS FOR HEAVY DUTY VEHICLE REPAIRS

**WHEREAS,** the Utilities Department requires a lift system capable of lifting heavy-duty vehicles to inspect, maintain, and repair the city's heavy-duty fleet; and

**WHEREAS,** the current mobile column lift system is obsolete; and

**WHEREAS,** most of the demand for the mobile column lift system supports the Waste and Recycling Division operations; and

**WHEREAS,** sufficient funds are budgeted and available in the Fiscal Year 2026-27 Solid Waste Operating Fund (Fund 540); and

**WHEREAS,** staff recommends the execution of a contract with Steril-Koni USA, Inc. for the purchase of new mobile column lifts; 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 Stertil-Koni USA, Inc. for $99,511.75 from the Solid Waste Operating Fund (Fund 540) for the Purchase of Mobile Column Lifts for Heavy Duty Vehicle Repairs

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

# QUOTE

**Stertil-Koni USA, Inc.**
200 Log Canoe Circle
Stevensville, MD 21666
(410) 643-9001

**Quote #:** SK-170
**Date:** 24 Jul 2026
**Expires:** 23 Aug 2026
**RSM:** Ron Reazer

**Billing Address**
City of Folsom, CA
Marie McKeeth
50 Natoma Street, Folsom, CA, USA
mmckeeth@folsom.ca.us
+19164390650

**Shipping Address**
City of Folsom, CA
Marie McKeeth
50 Natoma Street, Folsom, CA, USA
mmckeeth@folsom.ca.us
+19164390650

## Contract: Sourcewell Contract # 121223-SKI

**Subcontract:** Contract #

| Part | Description | Qty | Price | Discount | Line Total |
|---|---|---|---|---|---|
| ST-1085-3FWA | ST1085 MODELS, WIRELESS EBRIGHT CONTROLS WITH SYNTHETIC FIXED FRONT WHEELS Set of 6 - 111,000lbs capacity, 24 volts DC, control box on every column. Adj forks | 1 | $124,194.31 | 29% | $88,177.96 |

| | |
|---|---|
| Subtotal | $88,177.96 |
| Tax (7.75%) | $6,833.79 |
| Shipping | $4,500 |
| Grand Total | $99,511.75 |

## Comments

Sourcewell Member Account # 90124

## Local Distributor

**Distributor Account:** VME
**Distributor Contact:** Bryce Newell

**Email:** bnewell@source-mme.com
**Phone:** 19163960880

## Standard Terms and Conditions

1. Purchase Orders MUST be issued to Stertil- Koni USA, Inc., not the Local Distributor. Please submit Purchase Orders to orders@stertil-koni.com.
2. Purchase Orders must be issued on a company letterhead and must contain contact information, billing address, shipping address, phone number, and email.
3. Purchase Orders must reference the quote number, item numbers, pricing, quantities, and applicable contract information shown on this quote.
4. Product availability and proposed delivery date will be confirmed after receipt of order.
5. Stertil-Koni is responsible for collecting sales tax in the following states: CA, FL, HI, MD, NY, and WA. Customers outside of these states are responsible for any applicable sales or use tax.

MOBILE COLUMN LIFT

# ST 1085 - ST 1100

Superior flexible solutions with an 8.5 ton or 10.0 ton lifting capacity

ebright
SMART CONTROL SYSTEM

TOP QUALITY HYDRAULIC VEHICLE LIFTS



STERTIL
SUPERIOR SOLUTIONS

# Superior Solutions

The Stertil Group provides customised and technically advanced solutions for heavy-duty lifting requirements and loading bay equipment for customers worldwide, including the best possible service from skilled local partners. These superior solutions are conceived, developed and implemented by a team of professional specialists with unique expertise. Thanks to its quality people, its entirely in-house expertise and its international organisation, Stertil-Koni is the worldwide leader in the field of heavy-duty lifts.

## Wireless…

Our wireless mobile column lifts provide the ebright control solution for situations where the lifts need to be moved regularly. Using the innovative ID key, you can control up to 32 columns, each with a lifting capacity of 8.5 tons (ST 1085) or 10 tons (ST 1100) in a single setup.
In most cases, the special deep cycle batteries only need to be recharged every two weeks. No time is wasted connecting up cables and the mechanic has maximum access to the vehicle, without any tripping hazard.

## … or cabled, it's up to you

If you predominantly work in a fixed location the cabled mobile column lifts could be the best solution for you. This setup offers the possibility to connect up to 32 columns into a single configuration. The cabled versions also has a lifting capacity of 8.5 tons or 10 tons per column. Extra strong drive-over cables are optionally available for these cabled column lifts. All interconnection cables are equipped with heavy-duty plugs at both ends.

# Wireless mobile column lifts

## with **ebright Smart Control System**

TOUCH SCREEN

WIRELESS

ebright
SMART CONTROL SYSTEM

Both the wireless and the cabled column lifts are equipped with a control panel on each individual column. Columns can be operated individually, in pairs or simultaneously as a complete set with the touch of a button. Each column can therefore be used at any given location.

### Full-colour touch screen control

The revolutionary **ebright Smart Control System** combines intuitive **ease of use** with maximum visual information about the lifting process. The main advantages:

- Touch screen control, works even when wearing gloves
- User-configured options, such as choice of language, safety warnings, scheduled maintenance
- Full-colour 7” screen, graphically highly attractive
- All relevant information available at a glance
- Customizable ID-Key to prevent unauthorized operation
- Wireless Mesh network for optimal connectivity

## Reliable hydraulic technology

- Long usable life of the column with minimal repair and maintenance due to reduced friction
- Stringent testing before leaving factory
- Manual lowering in case of a power outage
- Maximum protection of the cylinder and seal against damage

## Adjustable pick-up forks

ST 1085 mobile column lifts have a fork length of 350 mm and are therefore perfect for picking up a variety of vehicles even vehicles with super single tyres in a safe and secure manner. The fork length for the ST 1100 mobile column lift is 300 mm.

## Retractable wheels

Both the wireless and the cabled mobile column lifts are available with retractable wheels. This unique Stertil-Koni design is the best available on the market. This prevents high point loading on the floor and reduces the floor surface pressure by a factor of 10. The system is fast, efficient, very stable and extremely reliable.

## Adjustable lowering speed

Do you want to lower the vehicle more slowly, so that you have more control when lowering onto axle stands? This is easily done at the high resolution touch screen.

## Simple recharging

The wireless columns are easy to charge by means of a 230 V wall socket. Cabled mobile columns operate from a standard 400 V supply with other voltages available.

## Fast lifting and lowering

The ST 1085 and ST 1100 reach their maximum lifting height of 1,850 mm in just 94 seconds, making them one of the fastest mobile column lifts in the world.

# Well thought out in all aspects

32 MAX

MAX 32 LINKED COLUMNS

ADJUSTABLE LOWERING SPEED

KG

OVERLOAD PROTECTION

UNIQUE SYNCHRONISATION SYSTEM

## Easy to move

Stertil-Koni mobile column lifts really are ‘mobile’. Thanks to the synthetic wheels and hydraulic pallet truck mechanism with patented overload protection, the column is easy to move.

## Safe working space

As an extra safety feature, we have also designed ample working space between the column and the vehicle. Even if there is a problem with the air suspension, the vehicle should not come into contact with the column.

## Unique synchronisation

The synchronisation system is activated at a height difference of just 15 mm. This ensures a safe and smooth-running lifting and lowering cycle, even in cases where the distribution of the vehicle load is extremely uneven.

## Lifetime guarantee

The innovative synthetic runner wheels within the column come with a lifetime parts guarantee.

ebright
SMART CONTROL SYSTEM

## ebright Features

SMART CONTROL SYSTEM

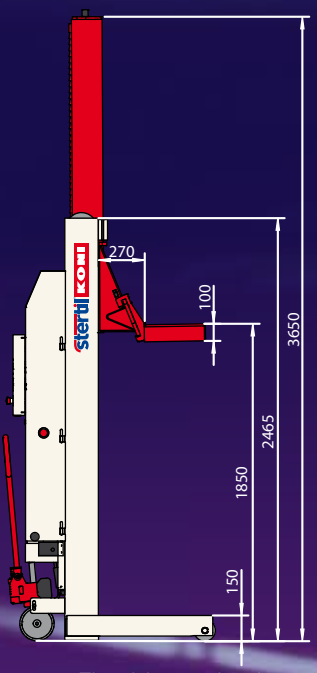
- High resolution 7” touch screen
- Owner/User configurable system with user ID key
  - Individual user settings for setting language and units
  - Protection against unauthorized use due to personalised ID key
- Maintenance notifications
- Visual display of maximum programmable lifting height if set
- Warning & failure information
- Operation manual on-screen available if required
- Tracking of specific operations and information codes
- Intuitive controls with actual data about the lift:
  - Indication for Single, All or Pair operation mode
  - Information about how many columns are in the set (up to 32 columns)
  - Actual lifting height displayed
  - Lowering speed can be manually adjusted on the touch screen
  - Battery status information
  - Customizable ID-Key to prevent unauthorized operation
- Wireless Mesh network with continous active channel search offering optimal connectivity

# Everything under control

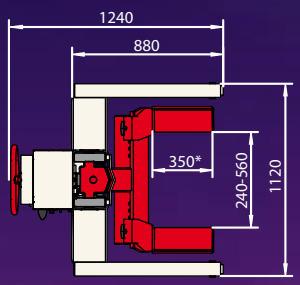
| Overview of ST 1085 – ST 1100 models | ebright wireless ST 1085-FWA ST 1100-FWA | ebright wireless ST 1085-RWA ST 1100-RWA | ebright cabled ST 1085-FSA ST 1100-FSA | ebright cabled ST 1085-RSA ST 1100-RSA |
|---|---|---|---|---|
| ebright Smart Control System with a control box on each individual mobile column | ● | ● | ● | ● |
| Touch screen with important information about the system e.g. lifting height, operation mode | ● | ● | ● | ● |
| Wireless Mesh network with continuous active channel search offering optimal connectivity | ● | ● | | |
| These columns utilise a power outlet in the workshop and communicate with each other via interconnecting cables | | | ● | ● |
| Adjustable lowering speed for slow or normal lowering | ● | ● | ● | ● |
| Hydraulic pallet truck mechanism with patented overload protection | ● | ● | ● | ● |
| 350 mm adjustable fork, suitable for super single tyres | ST 1085 | ST 1085 | ST 1085 | ST 1085 |
| 300 mm adjustable fork | ST 1100 | ST 1100 | ST 1100 | ST 1100 |
| Fixed synthetic wheels that reduce the floor surface pressure | ● | | ● | |
| Retractable synthetic wheels integrated into the base frame, for 10x less surface pressure | | ● | | ● |

## Technical specifications

| | |
|---|---|
| Lifting capacity: | 8,500 kg or 10,000 kg |
| Lift system: | hydraulic lifting system with micro-processor-controlled synchronisation |
| Lifting height: | maximum 1,850 mm, automatic stop at the highest position |
| Lifting time: | 94 seconds |
| Motor rating: | 2.2 / 3.0 kW per column (Cabled / Wireless) |
| Weight: | 615 kg per column (Wireless) |
| Column lift height: | 2,465 mm |




Fixed front wheels

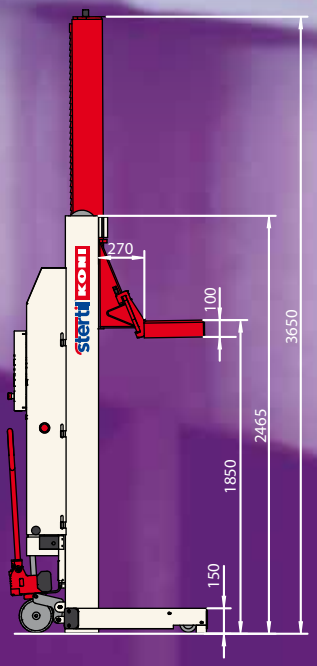



Adjustable forks

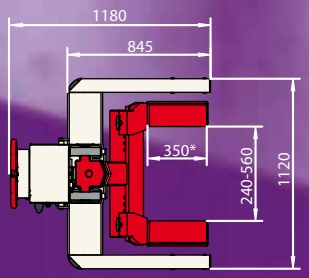
* For the ST 1100: 300 mm

## Highest safety requirements

- ANSI/ALI-ALCTV certified (USA), CSA certified (Canada), CE certified (Europe).
- Independent mechanical locking system engages at 125 mm above floor level. Locking pawl engaged by gravity. The locking system is always active, even when the column is turned off.
- Locking profile with locking increments of just 35 mm.
- Synchronisation between the mobile lifting columns starts at a height difference of 15 mm.
- Automatic overload protection.
- Low voltage control panel.
- Each column is equipped with an emergency stop.
- Each individual mobile lifting column is tested prior to leaving the factory.
- Splash-proof electrical system (IP 65).




Retractable front wheels




Adjustable forks

## Accessories & options

Stertil-Koni offers an extensive package of accessories & options tailored to fit your specific needs.

## More information?

For more information about the ST 1085, ST 1100, or any of Stertil-Koni's other top products, please do not hesitate to contact us. We will be pleased to assist you.

Stertil B.V.
P.O.Box 23
9288 ZG Kootstertille
The Netherlands
Tel. +31 (0)512 334444
www.stertilkoni.com
info@stertil.nl
Stertil-Koni
@Stertil

a member of the Stertil Group

95003102 ST 1085 - ST 1100 GB 02-2017. Stertil is a registered trademark of Stertil B.V. We reserve the right to make changes in specifications without notice and without making changes retroactive.

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **ITEM TITLE:** | Resolution No. 11682 - A Resolution Ratifying the Execution of an Emergency Repair Contract with West Coast Frame and Collision Repair, Inc. in an amount Not to Exceed $107,954, and Appropriation of Funds from the Solid Waste Fund (Fund 540) in the amount of $107,954 for the Emergency Replacement of the Cab on a Refuse Collection Truck |
| **FROM:** | Utilities Department |

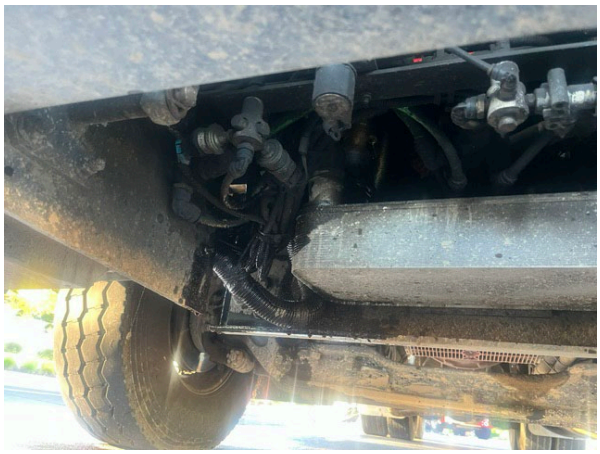
## RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department (Department) recommends that the City Council pass and adopt Resolution No. 11682- A Resolution Ratifying the Execution of an Emergency Repair Contract with West Coast Frame and Collision Repair, Inc. in an amount Not to Exceed $107,954, and Appropriation of Funds from the Solid Waste Fund (Fund 540) in the amount of $107,954 for the Emergency Replacement of the Cab on a Refuse Collection Truck

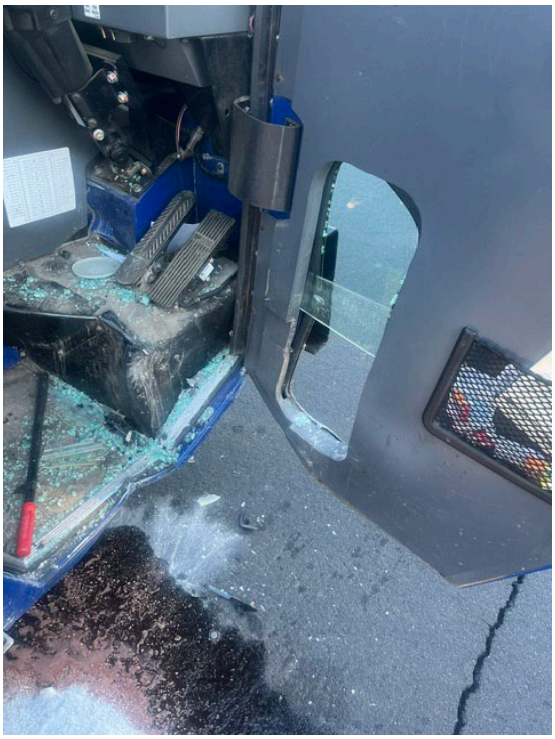
## BACKGROUND / ISSUE

On April 29, 2026, a city refuse truck was hit by a driver who ran a red light. The truck was towed to West Coast Frame and Collision Repair, Inc. (West Coast) to evaluate the damage. The impact, which was directly on the driver's side door on the right side of the cab, bent the frame resulting in a need to replace the entire cab. Below are photos from the accident scene showing the damage to the refuse truck.

1424



1424
CA 64729



Due to the extent of the damage, it took several weeks to prepare the quote. Upon receiving the quote, the Department learned that the cost of the repair exceeds the insurance limit of the at-fault driver therefore the insurance company cannot authorize the work directly with West Coast and the city must authorize the expense prior to any work beginning. Since the preliminary estimate is $89,961.22, under normal procurement circumstances City Council approval would be required; however, due to the urgent nature of the repairs and to prevent further delay, the repairs were authorized to begin utilizing an Emergency Procurement authorization per Folsom Municipal Code section 2.36.150. Staff are now requesting ratification of this contract and appropriation of funding.

Since the truck had not been disassembled when the quote was created, the contract amount includes a 20% contingency to account for potential damage discovered later in the repair process.

## POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $77,426 or greater shall be awarded by City Council.

In accordance with Chapter 2.36.150 of the Folsom Municipal Code (FMC), the City Manager shall make or authorize others to make emergency procurement of supplies, equipment, services, or construction items when there exists a threat to public health, welfare, or safety.

## ANALYSIS

The Waste and Recycling Division (Division) relies on a fleet of refuse trucks to collect waste from Folsom residents to protect public health and welfare. The vehicle that was damaged is one of Division's newer Fleet vehicles and was used for residential collection nearly every day prior to the collision. While the city has not experienced service interruptions because of the long-term absence of this resource, losing a primary vehicle from the fleet creates an operational vulnerability.

In the interest of both time and cost, the Fleet Division opted to seek authorization to proceed with the emergency repairs at West Coast rather than obtain additional quotes. The truck is currently inoperable due to extensive damage and has already incurred a towing cost of $1,870. Obtaining additional estimates would require towing the vehicle to each shop and potentially incurring storage fees. Furthermore, as is common with collision damage, repair facilities will not provide a firm quote until the vehicle has been taken apart since some damage may not be visible upon initial inspection.

## FINANCIAL IMPACT

Due to the urgent nature of the repairs, the City Manager authorized the execution of an emergency repair agreement with West Coast Frame and Collison Repair, Inc. for $89,961.22, including a 20% contingency in the amount of $17,992.78, for a total repair cost amount of $107,954, prior to City Council consideration. Ratification of the agreement will authorize expenditures for an amount not-to-exceed $107,954.

A budget appropriation is required in the Solid Waste Fund (Fund 540) in the amount of $107,954 to fund the emergency repair agreement. Sufficient funds are available in the Solid Waste Fund (Fund 540) to support the required appropriation.

City Council ratification of the agreement will not result in any additional fiscal impact beyond the emergency repair costs already authorized and incurred. Ratification confirms the administrative actions previously taken by the City Manager.

The final financial impact is currently unknown pending completion of the City's cost recovery efforts following the repair. After payment of the repair invoice, the City will submit a demand to the at-fault driver's insurance carrier. It is anticipated that the insurance carrier will offer the maximum amount available under the policy, which is expected to be less than the total cost of the repairs. Once the settlement offer is received, the City will evaluate whether accepting the offer or pursuing additional cost recovery measures is in the City's best financial interest.

## ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act. (CEQA).

## ATTACHMENTS

1. Resolution No. 11682 – A Resolution Ratifying the Execution of an Emergency Repair Contract with West Coast Frame and Collision Repair, Inc. in an amount Not to Exceed $107,954, and Appropriation of Funds from the Solid Waste Fund (Fund 540) in the amount of $107,954 for the Emergency Replacement of the Cab on a Refuse Collection Truck

2. Emergency Procurement Waiver of Bid - West Coast Frame and Collision Repair

3. Estimate from West Coast for the Cab Replacement on a Refuse Collection Truck

Submitted,

Marcus Yasutake, Utilities Director

Attachment 1

# RESOLUTION NO. 11682

## A RESOLUTION RATIFYING THE EXECUTION OF AN EMERGENCY REPAIR CONTRACT WITH WEST COAST FRAME AND COLLISION REPAIR, INC. IN AN AMOUNT NOT TO EXCEED $107,954, AND APPROPRIATION OF FUNDS FROM THE SOLID WASTE FUND (FUND 540) IN THE AMOUNT OF $107,954 FOR THE EMERGENCY REPLACEMENT OF THE CAB ON A REFUSE COLLECTION TRUCK

**WHEREAS,** the Utilities Department (Department) requires a reliable fleet to provide waste collection services; and

**WHEREAS,** an essential refuse collection truck was rendered inoperable due to a collision; and

**WHEREAS,** the driver responsible for the collision was underinsured for the amount of damage caused; and

**WHEREAS,** the City Manager approved an Emergency Procurement under Folsom Municipal Code section 2.36.150 to expedite the repair; and

**WHEREAS,** sufficient funds are available in the Solid Waste Operating Fund (Fund 540); 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 does hereby ratify the execution of an Emergency Repair Contract with West Coast Frame and Collision Repair, Inc. for $89,961.22, with a 20% contingency in the amount of $17,992.78 for a total repair cost amount not-to-exceed $107,954.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate $107,954 in the Solid Waste Operating Fund (Fund 540) for the Emergency Replacement of the Cab on a Refuse Collection Truck.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

# Memo

CITY OF FOLSOM

To: Christa Freemantle, City Clerk

From: Marcus Yasutake, Utilities Director

Date: July 8, 2026

SUBJECT Emergency Procurement Waiver of Bid - West Coast Frame and Collision Repair

---

This shall serve as a "Waiver of Bid Notification" for Emergency Procurement for repairs to a waste collection vehicle, as required by Section 2.36.150 of the Folsom Municipal Code (FMC).

On April 29, 2026, a refuse truck was struck by a red-light runner rendering the truck undrivable. The Fleet Division had the truck towed to West Coast Frame and Collision Repair (West Coast) for evaluation. It was determined that the cab will need to be replaced at a cost of $89,961.22; however, West Coast has advised a 20% contingency in the contract since it is common for additional damage to be discovered upon disassembly in an accident of this severity.

As the city was not-at-fault, the insurance company would generally pay the repair facility directly and this would not result in city procurement; however, upon filing the claim it was determined that the responsible driver was underinsured. As a result, the city will be responsible for paying for the repair and submitting a demand to the insurance company for reimbursement. A settlement offer will be issued for the maximum that the insured's policy will cover, which is unknown to the city at this time. The settlement offer will be forwarded to the City Attorney to determine if it will be in the city's best interest to accept the offer or pursue the insured for the full amount of damage.



046-2126-001

# Memo

CITY OF FOLSOM

Due to the extent of damage, the vehicle had to be towed from the accident scene at a cost of $1,870. Since this is a specialty vehicle, a quote for the cab had to be obtained directly from the manufacturer, which took several weeks. Once the repair is approved and the cab is ordered, it will take another three to six weeks to receive, followed by up to four weeks to complete the repair. Due to the long-term storage need, a small amount of repair expense has already been incurred to enable movement of the vehicle at the repair facility.

FMC Section 2.36.080 requires contracts exceeding the City Manager's authority to be awarded by Folsom City Council and FMC Section 2.36.090 requires contracts to be awarded through a competitive sealed bidding process. The Utilities Department recommends utilizing FMC Section 2.36.150 to make an emergency procurement for services to make the necessary repairs to this essential utility vehicle, getting it back into service as soon as possible and avoiding additional expenses and delays.

The Solid Waste Fund (Fund 540) has sufficient funds and will request an appropriation and ratification of this purchase as soon as practicable.

| | |
|---|---|
| Marcus Yasutake, Utilities Director | 7/10/2026<br>Date |
| Stacey Tamagni, Finance Director | 7/13/26<br>Date |
| Sari Dierking, Interim City Attorney | 7/15/26<br>Date |
| Bryan Whitemyer, City Manager | 7/16/26<br>Date |

# Memo

CITY OF FOLSOM

cc: City Clerk (original)
Chron File

## Attachments

1. West Coast Frame and Collision Repair Estimate

Attachment 3

# WEST COAST
## FRAME & COLLISION REPAIR

Phone 916-371-6100
Fax 916-371-8100
3203-D West Capitol Avenue
West Sacramento. CA 95691

# Estimate



**R.O. #:** **80953**
DATE: 4/29/2026
CONTACT: JIM
PHONE:
CELL: 916-718-8675
EMAIL: FLEET@FOLSOM.CA.US

OWNER: **CITY OF FOLSOM**

ADDRESS: **535 GLENN DRIVE**
CITY: **FOLSOM** STATE: **CA** ZIP CODE: **95630**

| MAKE | YEAR | MODEL | UNIT NO. | SERIAL NO. | LICENSE NO. | MILEAGE |
|---|---|---|---|---|---|---|
| CRANE | 2023 | SIDE LOADER | 1424 | 4L9AADAJOP1000075 | | |

| | RPR | RPL | DETAILS OF REPAIRS AND REPLACEMENTS | FRAME LABOR | MECH LABOR | PAINT LABOR | BODY LABOR | PARTS | SUBLET |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | X | FRONT BUMPER BEAM | --- | --- | --- | 2.0 | $1,255.86 | --- |
| 2 | | X | CAB SHELL (PAINTED) | --- | --- | --- | 60.0 | $50,006.33 | --- |
| 3 | | X | RIGHT CAB DOOR SHELL ASSEMBLY (PAINTED) | --- | --- | --- | 6.0 | $8,572.73 | --- |
| 4 | | X | RIGHT CAB DOOR SHELL LOWER WINDOW | --- | --- | --- | INC | INC | --- |
| 5 | | X | RIGHT CAB DOOR SHELL LOWER WINDOW SEAL | --- | --- | --- | INC | INC | --- |
| 6 | | X | RIGHT CAB DOOR LOCK ASSEMBLY (OUTSIDE) | --- | --- | --- | INC | INC | --- |
| 7 | | X | RIGHT CAB DOOR INNER PANEL | --- | --- | --- | INC | INC | --- |
| 8 | | X | RIGHT CAB DOOR SEAL (ON CAB) | --- | --- | --- | 0.3 | INC | --- |
| 9 | | X | RIGHT CAB DOOR OPENING LOWER THRESHOLD/ STEP | --- | --- | --- | 0.3 | INC | --- |
| 10 | | | PLATE | --- | --- | --- | --- | --- | --- |
| 11 | | X | RIGHT SIDE INTERIOR STEP | --- | --- | --- | 0.5 | INC | --- |
| 12 | | X | POWER STEERING HOSE | --- | --- | --- | 2.0 | $153.70 | --- |
| 13 | | X | POWER STEERING OIL | --- | --- | --- | INC | $125.00 | --- |
| 14 | | X | CAB DECALS | --- | --- | --- | SUB | --- | $725.00 |
| 15 | | X | CLEAN IDLE STICKER | --- | --- | --- | SUB | $250.00 | $350.00 |
| 16 | X | | STEAM CLEAN UNDERSIDE OF UNIT | --- | --- | --- | 2.0 | --- | --- |
| 17 | X | | CLEAN BROKEN GLASS FROM INTERIOR | --- | --- | --- | 1.0 | --- | --- |
| 18 | X | | R & I UTILITY BOX CONTROL PANEL AND HARNESS | --- | --- | --- | 8.0 | --- | --- |
| 19 | X | | R & I UTILITY BOX JOYSTICK & MOUNTING BRACKETS | --- | --- | --- | 8.0 | --- | --- |
| 20 | X | | R & I UTILITY BODY MONITOR AND HARNESS | --- | --- | --- | 8.0 | --- | --- |
| 21 | X | | R & I CAB INTERIOR | --- | --- | --- | 12.0 | --- | --- |
| 22 | X | | R & I CAMERAS FOR CAB | --- | --- | --- | 4.0 | --- | --- |
| 23 | X | | LAY OUT & DRILL HOLES FOR CAMERA MOUNTING | | --- | --- | 2.0 | --- | --- |
| 24 | X | | BLEED STEEREING GEAR | --- | 0.5 | --- | --- | --- | --- |
| 25 | X | | GAUGE & MEASURE FRAME | 3.0 | --- | --- | --- | --- | --- |
| 26 | X | | STRAIGHTEN SIDE BOW IN MAIN FRAME | 16.0 | --- | --- | --- | --- | --- |
| 27 | X | | ALIGN STEER AXLE | --- | 2.0 | --- | --- | --- | --- |
| 28 | X | | ALIGN DRIVE AXLES | --- | 2.0 | --- | --- | --- | --- |
| 29 | X | | REFINISH FRONT BUMPER | --- | --- | 2.0 | --- | --- | --- |
| 30 | | | | | | | | | |
| 31 | | | | --- | --- | --- | --- | --- | --- |
| 32 | | | | --- | --- | --- | --- | --- | --- |
| 33 | | | | --- | --- | --- | --- | --- | --- |
| 34 | | | CONTINUED ON NEXT PAGE | --- | --- | --- | --- | --- | --- |

35 The above is an estimate based on our inspection and does not cover any additional parts or labor which [illegible] er the work has been opened up. Occasionally, after the work has started, damage or broken parts are discovered which a[illegible] e first inspection.

NEXT PAGE

# WEST COAST
## FRAME & COLLISION REPAIR

Phone 916-371-6100
Fax 916-371-8100
3203-D West Capitol Avenue
West Sacramento, CA 95691

**Est**



**R.O. #:** **80953**
DATE: 4/29/2026
CONTACT: JIM
PHONE:
CELL: 916-718-8675
FLEET@FOLSOM.CA.US

OWNER: **CITY OF FOLSOM**

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| MAKE | YEAR | MODEL | UNIT NO. | SERIAL NO. | LICENSE NO. | MILEAGE |
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| CRANE | 2023 | SIDE LOADER | 1424 | 4L9AADAJOP1000075 | | |

| | RPR | RPL | DETAILS OF REPAIRS AND REPLACEMENTS | FRAME LABOR | MECH LABOR | PAINT LABOR | BODY LABOR | PARTS | SUBLET |
|---|---|---|---|---|---|---|---|---|---|
| 36 | X | | CLEAR COAT | --- | --- | 2.0 | --- | --- | --- |
| 37 | | X | PAINT MATERIALS | --- | --- | --- | --- | $637.50 | --- |
| 38 | | X | BODY SHOP SUPPLIES | --- | --- | --- | --- | --- | $127.50 |
| 39 | X | | AIM HEADLIGHTS | --- | --- | --- | 1.0 | --- | --- |
| 40 | | | | --- | --- | --- | --- | --- | --- |
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| 60 | | | | --- | --- | --- | --- | --- | --- |
| 61 | | | | --- | --- | --- | --- | --- | --- |
| 62 | | | | --- | --- | --- | --- | --- | --- |

COMMENTS:

| LABOR RATES | | | |
|---|---|---|---|
| $ 150 | 117.1 | BODY LABOR | $17,565.00 |
| $ 150 | 4.0 | PAINT LABOR | $600.00 |
| $ 160 | 4.5 | MECH LABOR | $720.00 |
| $ 170 | 19.0 | FRAME RACK | $3,230.00 |
| TOTAL HOURS | 144.6 | SUBLET | $1,202.50 |
| | | PARTS | $61,001.12 |
| | | SALES TAX | $5,642.60 |
| | | FREIGHT | OPEN |
| | | **TOTAL** | $89,961.22 |

Written By:

The above is an estimate based on our inspection and does not cover any additional parts or labor which may be required after the work has been opened up. Occasionally, after the work has started, damage or broken parts are discovered which are not evident on the first inspection.

1 1/2% charge per month will be added to Past Due Invoices. The first 30 days of storage charges will be wa[illegible] picked up within 30 days of the invoice date. If the vehicle is not picked up within 30 days of the invoice date, storage will be charged [illegible] per day from the invoice date. Lien sale proceedings on an unclaimed vehicle will be initiated immediately after 30 days from the dat[illegible]sts associated with the lien sale, including any attorney fees, will also be charged to the custom[illegible]

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **ITEM TITLE:** | Resolution No. 11683 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of a Ford F350 Truck with Utility Bed in the Amount of $84,095.10 from the Water Operating Fund (Fund 520) |
| **FROM:** | Utilities Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends that the City Council pass and adopt Resolution No. 11683 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of a Ford F350 Truck with Utility Bed in the Amount of $84,095.10 from the Water Operating Fund (Fund 520).

## BACKGROUND / ISSUE

The Utilities Department recognizes the need to maintain a fleet of vehicles that will be able to provide reliable, efficient, and responsive service to support work associated with maintenance of the water distribution infrastructure, thereby safeguarding the health and safety of the Folsom community.

The Water Quality Division has an open recruitment which, when filled, will increase the size of its crew, and therefore requires an additional vehicle. This resolution authorizes the City Manager to execute an agreement with Folsom Lake Ford for the purchase of one 2027 Ford F350 truck with utility bed for a total not-to-exceed $84,095.10.

## POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $77,426 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

The Fiscal Year 2024 budget approved the addition of a Water Distribution Operator III in the Water Quality division. An internal promotion filled the new position, resulting in an ongoing vacancy within the division. Recruitment for this position was put on hold pending approval of the new staffing model for the water and wastewater divisions. In June 2026, through Resolution No. 11651, the new staffing model was approved and so the division is now preparing for recruitment of an additional Water Distribution Operator, which will increase the size of its crew.

Water Distribution Operator**s** perform duties in the construction and maintenance of water infrastructure including the testing, overhauling, and repairing fire hydrants, blow-off valves, or air release valves. To allow for tasks to be performed independently, and for operational efficiency, each crew member is assigned a separate vehicle. This vehicle needs to have the capabilities of transporting all required equipment for any task the operator may need to complete.

The Utilities Department, in coordination with the City Fleet Division, solicited quotations from Sourcewell and Folsom Lake Ford for the purchase of a Ford F350 truck with a utility bed. Although FMC Section 2.36.170 allows for the purchase of this vehicle directly through the Sourcewell contract number without having to solicit multiple quotes, City staff also solicited a quote from Folsom Lake Ford to compare pricing and to offer an opportunity for a local dealership to bid on the purchase. Folsom Lake Ford submitted the lowest responsive quotation that met the City's vehicle specifications and operational requirements.

## FINANCIAL IMPACT

If approved the agreement with Folsom Lake Ford for the purchase of a Ford F350 truck with utility bed for $84,095.10 would be funded through the Water Operating Fund (Fund 520). Sufficient funds are budgeted and available in the Fiscal Year 2026-27 Water Operating Fund (Fund 520) for the purchase. The Department is requesting that the contract be authorized for a not to exceed amount of $84,095.10.

## ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

## ATTACHMENTS

1. Resolution No. 11683 - A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of a Ford F350 Truck with Utility Bed in the Amount of $84,095.10 from the Water Operating Fund (Fund 520)

2. Folsom Lake Ford Quote - F350 Truck: Cab and Chassis

3. Folsom Lake Ford Quote - F350 Knapheide Utility Bed

Submitted,

_____

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

# RESOLUTION NO. 11683

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FOLSOM LAKE FORD FOR THE PURCHASE OF A FORD F350 TRUCK WITH UTILITY BED IN THE AMOUNT OF $84,095.10 FROM THE WATER OPERATING FUND (FUND 520)

**WHEREAS,** the Utilities Department Water Quality Division has validated its need to purchase a Ford F350 Truck with Utility Bed; and

**WHEREAS,** per Folsom Municipal Code Section 2.36.170 the City can use cooperative purchasing agreements for this vehicle and obtained a quote from Sourcewell without having to solicit for multiple bids; and

**WHEREAS,** City staff also solicited a quote from Folsom Lake Ford to compare pricing and to offer an opportunity for a local vendor to bid on the sale of the vehicle; and

**WHEREAS,** Folsom Lake Ford submitted the lowest response quotation that met the City's vehicle specifications and operational requirements; and

**WHEREAS,** sufficient funds are budgeted and available in the Water Operating Fund (Fund 520); and

**WHEREAS,** staff recommends the execution of a contract with Folsom Lake Ford for the purchase of a Ford F350 Truck with Utility Bed; 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 hereby authorizes the City Manager to execute an agreement with Folsom Lake Ford in the amount of $84,095.10 from the Water Operating Fund (Fund 520) for the purchase of a Ford F350 Truck with Utility Bed.

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

# FOLSOM LAKE FORD

THE FORD SOURCE

12755 FOLSOM BOULEVARD
FOLSOM, CA 95630 • (916) 353-2000

**DESCRIPTION**

F350 4X2 SUPERCAB CHAS CAB/168

.168 INCH WHEELBASE

TOTAL BASE VEHICLE

OXFORD WHITE

40/20/40 CLOTH SEAT

MEDIUM DARK SLATE

PREFERRED EQUIPMENT PKG.633A

.XLT TRIM

.AM/FM STEREO MP3/CLK

.7.3L DEVCT NA PFI V8 ENGINE

10-SPEED AUTO TORQSHIFT

.LT275/65R18E BSW ALL SEASON

4.30 ELECTRONIC-LOCKING AXLE

FORD FLEET SPECIAL ADJUSTMENT

ALL WEATHER MATS W/O CARPT MAT

CARPET DELETE

10900# GVWR PACKAGE

50 STATE EMISSIONS

JOB #1 ORDER

POWERSCOPE TRAILER TOW MIRROR

410 AMP DUAL ALTERNATOR

CONN PKG:1 YR INCL W/FORD APP

SECURITY PACKAGE: 1 YR INCL

2027 FORD F350 4X4 SUPERCAB

4X2, WITH EQUIPMENT LISTED

ON AN ORDER BASIS

| | |
|---|---|
| PRICE : | 51,584.00 |
| DOC FEE : | 85.00 |
| GOVT FEES : | 45.75 |
| 7.75 % TAX : | 4,224.35 |
| DMV EXEMPT | |
| TOTAL DUE EACH : | 55,719.10 |

FOLSOM LAKE

Ford KIA

**Rychard Rosada**
Fleet and Commercial Account Manager

916-353-2000 · EXT. 364
Toll Free 916-351-4238
Cell (916) 397-5982
RychardRosada@FolsomLakeFord.com

12755 FOLSOM BLVD
FOLSO

Attachment 3

Seller: Knapheide Truck Equipment Center Sacramento
3550 BOZZANO RD
STOCKTON, CA 95215-9100
1 (209) 855-8400
www.knapheide.com

QUOTE
1089322-1
**Quote Expiration: 06/05/2026**

**Contact(s):** **Melvin Jackson (Outside Sales)**
mjackson45@knapheide.com

**Erin Hanson (Inside Sales)**
ehanson96@knapheide.com
2098558415

## Customer: City Of Folsom

**ID:** 263304
**Address:** 1300 LEIDESDORFF ST

FOLSOM, CA 95630-2449
**Description:** service body

**Phone:** 9164616765
**Contact:** GREG .BAKKEN

**Terms:** NET 30 DAYS
**Bid Spec:**
**Is Quote Tax Exempt:** No
**Tax Exemption:**

## Quote Information:

**Customer Request Date:**
**Quote Completed Date:** 05/06/2026
**Date:** 05/08/2026 16:05 PM CDT
**# of Units:** 1

## Delivery Information:

**Total Price Includes F.O.B.:**
**Ship Via:**
**Ship To:** City Of Folsom
9164616765
1300 LEIDESDORFF ST
FOLSOM, CA 95630-2449

## Vehicle Information:

**Make:** Ford
**Chassis Type:** Pickup
**Rear Axle Type:** SRW
**Fuel Type:** Diesel
**GVWR:** 11300

**Model:** F-350
**Cab Type:** SuperCab
**Drivetrain:** 4x4
**Transmission Type:** Auto

**Year:** 2026
**Cab to Axle:** 56
**Engine Size:** 6.7
**Wheelbase:** 164.1

| Seq. | Description | Item | Quantity | Total |
|---|---|---|---|---|
| 1 | 696F40-2-M Service Body with Flip Top Compartments Painted White<br>Stop/Turn/Tail Lights Installed<br>Master Locks Installed<br>Overall Dimension: 97.25" Overall Long x 78" Wide<br>Cargo Area: 49" Wide x 25.25" High<br>Side Compartment: 41.25" High x 14.5" Deep<br>Street Side Compartmentation:<br>Front Vertical: 31.25" Long x 41.25" High<br>Horizontal: 44.75" Long x 19.75" High<br>Rear Vertical: 21.25" Long x 41.25" High<br>Curbside Compartmentation:<br>Front Vertical: 31.25" Long x 41.25" High<br>Horizontal: 44.75" Long x 19.75" High<br>Rear Vertical: 21.25" Long x 41.25" High<br>Standard Shelving Includes:<br>(2) Adjustable Divider Shelves Each Front Vertical Compartment<br>(1) Bolt-In Divider Shelf Curbside Horizontal Compartment<br>(1) Adjustable Divider Shelf Each Rear Vertical Compartment<br>(28) Shelf Dividers and (20) Flip-Top Tray Divider<br>Warranty: Standard Knapheide Limited Warranty<br>Weight: 1204lbs | 696F40-2-M | 1.00 | |
| 2 | Upfitter Switch Power Harness<br>for Use to Power Rear Strobes or Compartment Lights on Chassis with Factory Upfitter Switch | 12256319 | 1.00 | |
| 3 | 78" Wide Galva-Grip Step Bumper with KnapLiner<br>for Service Body<br>2017 or Newer Ford 56" CA<br>2007 or Newer Ram 60" CA<br>77.62" Wide x 10.88" Deep<br>Weight: 70lbs | 34860174 | 1.00 | |

| | | | | |
|---|---|---|---|---|
| 4 | Quick Mount Kit for Service Body with 6" Understructure<br>for 2017 and Newer Ford with 56" CA | 20095520 | | |
| 5 | Ford 2023 & Newer 40"/56" Pickup Box Removal Harness Adapter (Plug & Play, BCM Reprograming Required) | 35760018 | 1.00 | |
| 6 | Modular Cab Guard Center Section<br>Powder Coated White<br>49" Cargo Width<br>for Standard Height or F40 Service Bodies | 26266379 | 1.00 | |
| 7 | CTech 4 Drawer Unit<br>(3) 3" High Drawers<br>(1) 5" High Drawer<br>Shelf Liner<br>250lb Capacity Per Drawer<br>Telescoping Top Shelf<br>24" Wide x 15.82" High x 12" Deep<br>Bottom Space: .508"<br>Fire Engine Red<br>Weight: 47lbs<br><br>Mounting Hardware Kit Includes The Following:<br>(1) 12212478 - CTech Drawer Unit<br>(1) 12212353 - (Pair) Riser 13.25" High x 6.5" Deep<br>(1) 20192464 - Bracket Assembly Mounting CTech Drawer Unit | 20192639 | 1.00 | |
| 8 | 1- RX2FFFF Justice DUO WecanX Lightbar, 50” (included)<br>1- MKAJ94 Adjustable Lightbar Straps – F350 (included)<br>1- CCP9 Core-C Control System (included)<br>1- CEM8 WCX Remove Expansion Module, 8 output (included) 4- TLI2F ION T-Series DUO LED Lighthead, Amber/White (included)<br>• Two Grill lights, Two Rear bumper lights | 35081005 | 1.00 | |
| 9 | 10ft e-track | 35081005 | 2.00 | |
| 10 | Outsource Spray Liner, Price per Dollar | 34996369 | 1.00 | |
| 11 | 6" Mechanics Vise, Wilton 746 Tradesman 21500<br>5,500lb Clamping Force<br>Base Type: Swivel<br>Powder Coated Paint<br>Jaw Material: Steel<br>Jaw Opening: 5-3/4"<br>Jaw Type: Serrated<br>Jaw Width: 6"<br>Material: Ductile Iron<br>Mounting Type: Bolted-Down<br>Number of Mounting Points: 4<br>Pipe Capacity: 1/4" to 3-1/2"<br>Rotation Angle: 360 Degree<br>Throat Depth: 4-1/8"<br>17.7" Long x 11" Wide x 10.8" High<br>Weight: 69lbs | 30098920 | 1.00 | |
| 12 | Ridgid Model BC-410A - 4" Top Screw Chain Pipe Vise | 35081005 | 1.00 | |
| 13 | Knapheide Power Lock System, 600 Series 80" 82" 96" & 108" Service Bodies with Current Rotary Latch | 26272377 | 1.00 | |
| 14 | Buyers 5621928 18" LED Strip Light<br>Adhesive backing for surface mount<br>Clear and cool light (6000k)<br>360 Lumens<br>IP67 Certified<br>Wattage: 4.92 W<br>Width: .5"<br>Depth: 18"<br>Height: .5"<br>Lead Length: 4" | 35081005 | 18.00 | |
| 15 | Pollak 7-way flat trailer plug<br>Fixture Type: Connectors<br>Fixture Shape: 12 Volts | 34996691 | 1.00 | |

| | | | | |
|---|---|---|---|---|
| | Package Type: P Pack<br>Voltage: 12 Volts<br>Amps: 30 Amp<br>6.2" x 5.2" x 3.7"<br>Weight: .2 Lbs | | | |
| 16 | LED Square Flood Light, Buyers 1492119<br>Amp Draw At 12 Volts: 2.25 A<br>Beam Pattern: Flood<br>Bracket (Y/N): Yes<br>Certification: IP67 and 20G<br>Color: Clear<br>Color Temperature: 6000 °K<br>Hard Wired Or Plug: Hard Wired<br>Height: 6.70"<br>Housing Material: Aluminum<br>Lens Material: Polycarbonate<br>Lens Shape: Square<br>Mount Type: Surface<br>Number Of Wires: 2<br>Type Of Plug: Blunt Cut<br>Wattage: 27 W<br>Base / Mount Type: Surface<br>Overall Width: 5.30"<br>Plug Included: No<br>Voltage: 12–24 VDC<br>Operating Temperature: -40 to 122 °F<br>Lead Length: 36"<br>Built-In Switch: No<br>Connector: Blunt Cut<br>Lumens: 1500<br>Shipping Weight: 2.050 | 35081005 | 2.00 | |
| 17 | Installation Labor. | 34995222 | 39.00 | |
| 18 | Paint Labor | 34996438 | 4.00 | |
| 19 | Universal Fuel Fill Cup Kit<br>21-42 Mounting Angle<br>Ford F250-F550<br>GM 2500-6500<br>Ram 2500-5500 | 34360468 | 1.00 | |
| **Total does not include any applicable taxes or transportation charges unless specifically noted herein:** | | | **Subtotal:** | **$26,969.06** |
| | | | **Tax:** | **$1,406.94** |
| | | | **Total:** | **$28,376.00** |

Customer PO

Total Price

**Additional Notes:** Furnish and install a 8ft knapheide service body with flip top compartments, fuel spout, all legal lights, rear bumper, drawer unit in the front curb side compartment, led amber light bar with a traffic adviser, four corner strobe system, one row of e-track on each side mounted in the cargo area, spray in bed liner, pipe vise mounted on the right rear corner on the bumper, 6" Mechanics Vise mounted on the left rear corner on the rear bumper, window guard with two work light mounted on each side, power door locks, led compartment light wired up a upfitter switch, 7 way rv socket, install factory back up camera if equipped, to be white in color and touch up paint if necessary.

***Credit Card Policy:** Knapheide accepts MasterCard, American Express, Visa and Discover cards for payment. Invoices greater than or equal to $10,000 will include a 3% handling fee when paid by credit card beginning May 4, 2026.

**Liability for product on Knapheide property with terms Customer Pickup:** Product must be picked up within (14) days of notification of product available for customer pickup. Customer shall assume all responsibility for the Product, including but not limited to damage due to Acts of God or vandalism following 14 days of notification of product available for Customer pickup. Knapheide reserves the right to assess a storage fee of $25/day for each day goods remain on Knapheide property beyond (14) days of notification of product available for Customer pickup.

**Cancellation Policy:** All cancellation requests must be made in writing. Upon any request for cancellation, any costs incurred by Knapheide during the fulfillment of Orders placed pursuant to this Quote shall be paid at 100%. Payments for cancellation are due in full at time of cancellation and/or upon

cancellation of installation. Quoted prices are only guaranteed for orders placed as of the date specified on the Quote unless othe

**Payment Policy:** Payment Terms are due upon receipt of signed quote unless prior credit agreement has been established at the time of order. Payment terms for customers with an established credit account will be Net 30 from date of invoice. Seller has right to assess late charges at 1.5% per month on all invoices that are 60 days or more past due.

**Pricing Policy:** All prices reflect the latest price in U.S. Dollars. Any order placed pursuant to this Quote shall be subject to these Terms and Conditions contained herein. These Conditions shall serve to exclude all other terms or conditions of purchase or other conflicting terms or conditions which may be issued, provided or referred to by Customer, all of which are hereby disclaimed or rejected, except insofar as any terms are expressly accepted in writing with an Authorized Knapheide Representative's written signature. Pricing quoted applies to chassis make/model originally provided and quantity quoted. Any deviation therefrom may result in price change. In addition, additional costs may be incurred in the process of fulfilling orders placed pursuant to this Quote and Knapheide reserves the right to adjust costs accordingly, including but not limited to, reprogramming fees, etc. Orders are subject to all applicable state, local and federal excise taxes. Applicable taxes will be applied on final billing to customer upon completion of order. Seller must be in possession of the vehicle for this order within 90 days of quote acceptance or the order can be subject to price adjustments due to cost increases for materials, labor, and shop supplies.

**Return Policy:** All sales are final. Purchased parts or products are non-returnable.

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By signing and accepting this quotation, Customer agrees to accept Knapheide Truck Equipment Center Sacramento terms and conditions as stated above.

| Customer Signature | Print Name | Title | Date |
|---|---|---|---|

| Dealer Code | Dealership | Location |
|---|---|---|

VIN

If the chassis is customer supplied, Knapheide may require a chassis spec sheet

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **ITEM TITLE:** | Resolution No. 11684– A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. for $136,000 from the Water Operating Fund (Fund 520) for Additional Environmental Support Services for the Water System Rehabilitation Project No. 1 (Project WA1603) and Appropriation of Funds |
| **FROM:** | Utilities Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends that the City Council pass and adopt Resolution No. 11684– A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning. Inc. for $136,000 from the Water Operating Fund (Fund 520) for Additional Environmental Support Services for the Water System Rehabilitation Project No. 1 (Project WA1603) and Appropriation of Funds.

## BACKGROUND / ISSUE

The Utilities Department has developed a water infrastructure rehabilitation and replacement (R & R) program through water master plans and ongoing condition assessment programs. Through these efforts, portions of the water system in the City have been identified as needing rehabilitation or replacement. A comprehensive plan has been developed for the R & R of these aging systems, and much of this work has been completed in recent years. The projects identified and included within the Water System Rehabilitation Project No. 1 (WA1603) include replacement of the waterline serving Black Miner's Bar State Park, rehabilitating the waterline on Rainbow Bridge, and replacing the valves on the Willow Hill Dam, known as the Willow Hill Dam Valve Replacement Project. All projects, with the exception of the Willow Hill Dam Valve Replacement Project, have been completed.

The Willow Hill Dam Valve Replacement Project involves replacing the existing slide gate on the upstream side of the dam at the Willow Hill Reservoir and replacing the existing isolation valve on the downstream side of the dam, which is required by the Division of Safety of Dams (DSOD). DSOD requires two working valves on the outlet pipe of the reservoir, one on both sides of the dam. The existing valves on the upstream and downstream sides of the outlet pipe have reached the end of their serviceable life and are no longer functional and need to be replaced.

In June 2024, the City entered into an Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. (HELIX) for environmental support services for the Willow Hill Dam Valve Replacement Project. Per this agreement, HELIX performed environmental support services during the design phase of the project. Due to the complexity of the design for this project (design services are currently being provided by Water Works Engineers, LLC) and the extended time to coordinate with DSOD for review, the design for this project has taken longer than anticipated. For Amendment No. 1, HELIX Environmental Planning, Inc. will provide additional environmental support services throughout the design and construction phases to ensure environmental permit compliance including the Central Valley Regional Water Quality Control Board (RWQCB) Section 401 Water Quality Certification, U.S. Army Corps of Engineers (USACE) Clean Water Act (CWA) Section 404 Permit, and the California Department of Fish and Wildlife (CDFW) Lake and Streambed Alteration Agreement (LSAA).

This amendment is for environmental support services related to the Willow Hill Dam Valve Replacement Project only. No additional cost for design or construction management services is being requested for the Black Miner's Bar Waterline Rehabilitation Project or the Rainbow Bridge Waterline Rehabilitation Project. These projects are complete.

This Resolution will authorize the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. for $136,000 from the Water Operating Fund (Fund 520) for additional environmental support services for the Water System Rehabilitation Project No. 1 (Project WA1603) 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 $77,426 or greater shall be awarded by City Council.

## ANALYSIS

HELIX is uniquely qualified to perform additional environmental support services for this project based on their current involvement with this project, understanding and familiarity of the background and requirements of the project, qualifications, and experience of coordinating with the design team (Water Works Engineers, LLC).

For the Willow Hill Dam Valve Replacement Project, HELIX will provide additional environmental support services throughout the design and construction phases to ensure environmental permit compliance. HELIX will prepare and implement various monitoring plans in support of project construction, perform monitoring and reporting as required by the regulatory

permits, and consult with the City and various regulatory agencies during project construction. The following describes the additional services that HELIX will perform:

- Willow Hill Dam Valve Replacement Project
    - Coordinate with the City and the designer (Water Works Engineers, LLC) to review construction plans and specifications as related to environmental compliance
    - Prepare and implement a Fish Relocation Plan (FRP) per the requirements of the California Department of Fish and Wildlife (CDFW) Lake and Streambed Alteration Agreement (LSAA)
        - Prepare and submit post-relocation report to CDFW
    - Prepare permit compliance notifications required for the LSAA, Central Valley Regional Water Quality Control Board (RWQCB) 401, and U.S. Army Corps of Engineers (USACE) 404
    - Conduct a pre-construction survey of the project site for sensitive biological resources and prepare a pre-construction survey report
    - Prepare a Workers Environmental Awareness Program (WEAP) training manual describing applicable environmental regulations and permit conditions
    - Prepare Monthly Compliance Reporting and the Annual Compliance Report for submittal to the RWQCB
    - On-site construction monitoring by a HELIX biologist and preparation of daily monitoring reports during construction
    - Environmental coordination during the construction bidding process
    - Project management and meetings as necessary to comply with regulatory permit requirements

The total cost to provide additional environmental support services by HELIX Environmental Planning, Inc. as part of the Water System Rehabilitation Project No. 1 (Project WA1603) is $136,000. This resolution will authorize the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. for additional environmental support services for the Water System Rehabilitation Project No. 1 for a new not-to-exceed total contract amount of $215,500 and appropriation of funds.

## FINANCIAL IMPACT

The City Council approved Resolution No. 11187 on April 23, 2024 in the amount of $79,500 for HELIX Environmental Planning, Inc. to perform environmental support services for the Water System Rehabilitation Project No. 1 (Project WA1603). The Utilities Department recommends that Amendment No. 1 to the agreement (Contract No. 173-21 24-015) for additional environmental support services be executed with HELIX Environmental Planning, Inc. for an additional $136,000 for a new not-to-exceed contract total of $215,500. This project budget will require an appropriation in the amount of $136,000 for this amendment. This will bring the total project budget from $2,725,171 to $2,861,171. Sufficient funds are available in the Water Operating Fund (Fund 520) for the appropriation.

## ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act (CEQA), the City is required to prepare the environmental documentation for the Water System Rehabilitation Project No. 1. The City Council approved Resolution No. 11438 on August 26, 2025 adopting the Initial Study and Mitigated Negative Declaration (IS/MND) for the Willow Hill Dam Valve Replacement Project.

## ATTACHMENTS

1. Resolution No. 11684– A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-015) with HELIX Environmental Planning, Inc. for $136,000 from the Water Operating Fund (Fund 520) for Additional Environmental Support Services for the Water System Rehabilitation Project No. 1 (Project WA1603) and Appropriation of Funds

2. Willow Hill Dam Valve Replacement Project Map

Submitted,

_____

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

# RESOLUTION NO. 11684

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT (CONTRACT NO. 173-21 24-015) WITH HELIX ENVIRONMENTAL PLANNING, INC. FOR $136,000 FROM THE WATER OPERATING FUND (FUND 520) FOR ADDITIONAL ENVIRONMENTAL SUPPORT SERVICES FOR THE WATER SYSTEM REHABILITATION PROJECT NO. 1 (PROJECT WA1603) AND APPROPRIATION OF FUNDS

**WHEREAS,** the City identifies projects that are critical to ensuring the delivery of adequate and high quality water supply to all residents and businesses; and

**WHEREAS,** the City has identified the Willow Hill Dam Valve Replacement Project, as part of the Water System Rehabilitation Project No. 1 (Project WA1603), as a priority to maintain integrity and operation of the raw water system; and

**WHEREAS,** HELIX Environmental Planning, Inc. will prepare and implement various monitoring plans in support of project construction, perform monitoring and reporting as required by the regulatory permits, and consult with the City and various regulatory agencies during project construction; and

**WHEREAS,** HELIX Environmental Planning, Inc. by reason of their knowledge and familiarity with this project, understanding of the background and requirements of the project, and the qualifications and experience of the project team, are qualified to perform the required additional environmental support services throughout the design and construction phases to ensure environmental permit compliance; and

**WHEREAS,** the Water System Rehabilitation Project No. 1 (Project WA1603) was included in the FY2026-27 Capital Improvement Plan with a total project budget within the Water Operating Fund (Fund 520) of $2,725,171; and

**WHEREAS,** an additional appropriation of funds in the amount of $136,000 is needed for a revised project budget of $2,861,171 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 24-015) with HELIX Environmental Planning, Inc. for additional environmental support services for the Water System Rehabilitation Project No. 1 (Project WA1603) in the amount of $136,000 and the new not-to-exceed contract total, including Amendment No. 1, is $215,500.

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate $136,000 for this agreement. The appropriation will be from the Water Operating Fund (Fund 520) fund balance in the amount of $136,000.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

T:\PROJECTS\F\FolsomCity_02576\00079_WillowHillDamValveReplacement\SMND\Map\Willow Hill Dam Valve Replacement.aprx 10/31/2024

0 200 Feet

Source: Aerial (Nearmap, 2024)

HELIX Environmental Planning

# Area of Potential Effects Map

Figure 2

*This page is intentionally left blank to facilitate double-sided printing and minimize paper use.*

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11685 – A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 22A (Folsom Heights) |
| **FROM:** | Public Works Department |

## RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council move to adopt Resolution No. 11685 – A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District 22A (Folsom Heights).

## BACKGROUND

On January 28, 2014, the City Council adopted Resolution No. 9298 approving the Folsom Plan Area Specific Plan (FPASP) Public Facilities Financing Plan (PFFP). The PFFP is an $877 million dollar plan that includes the necessary backbone infrastructure and public facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the future development of the Folsom Plan Area (FPA).

On November 27, 2018, the City Council adopted Resolution No. 10216 to form City of Folsom Community Facilities District ("CFD") No. 22 (Folsom Heights) within the Folsom Plan Area to finance, among other authorized facilities, the Acquisition Improvements and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of forming the District.

At the request of the developer, the City agrees to cooperate in abandoning proceedings for CFD 22 and to conduct proceedings to form a new community facilities district with identical boundaries, to be known as CFD 22A.

## POLICY / RULE

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

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

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

The Mello-Roos Community Facilities Act of 1982 governs the formation of Community Facilities Districts and the acquisition of public infrastructure.

## ANALYSIS

For the developer to obtain reimbursement from the proceeds from the sale of bonds for CFD No. 22A for eligible roadway and utility infrastructure and public improvements, approval of an Acquisition and Shortfall Agreement (Agreement) by the City Council is required.

The Agreement establishes the process required for the City to acquire the roadway and utility infrastructure and other various public improvements and the developer's responsibility for funding any construction cost shortfall. A summary of the roadway and utility infrastructure and various public improvements and facilities to be funded by the bond proceeds and acquired by the City is shown in Exhibit A of the attached Acquisition and Shortfall Agreement (See Attachment 2). The public infrastructure authorized to be acquired with CFD No. 22A bond proceeds includes roadway, utility, and other municipal improvements. The Agreement requires the developer to complete the required roadway and utility infrastructure and other public improvements to the satisfaction of the City and meet specified thresholds in accordance with the Agreement prior to any reimbursement by the City.

## FINANCIAL IMPACT

There is no direct financial impact on the City of Folsom. The CFD No. 22A bonded indebtedness and expenses are solely the responsibility of CFD No. 22A.

## ENVIRONMENTAL REVIEW

Environmental review for the public infrastructure subject to this Acquisition and Shortfall Agreement was completed in the FPASP Environmental Impact Report (EIR) dated June 14, 2011. No substantial changes to the public infrastructure subject to this Acquisition and Shortfall Agreement have been proposed and no new significant environmental effects or substantial increases in the severity of previously identified significant effects exist. As a result, no further environmental review is required pursuant to CEQA Guidelines section 15162.

**ATTACHMENTS**

1. Resolution No. 11685 – A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 22A

2. Acquisition and Shortfall Agreement

Respectfully Submitted,

Rebecca Neves, Public Works Director/City Engineer

# ATTACHMENT 1

## Resolution No. 11685 – A Resolution of the City Council Approving an Acquisition and Shortfall Agreement for Community Facilities District No. 22A

# RESOLUTION NO. 11685

## A RESOLUTION OF THE CITY COUNCIL APPROVING ACQUISITION AND SHORTFALL AGREEMENT FOR COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)

**WHEREAS,** the City Council has adopted Resolution No. 11679 declaring its intention to establish a community facilities district and to levy a special tax to pay for certain public improvement and public services in and for such community facilities district; and

**WHEREAS,** the City Council has adopted Resolution No. 11680 declaring the necessity to incur a bonded indebtedness to finance certain public improvements in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights); and

**WHEREAS,** Staff has prepared the attached Acquisition and Shortfall Agreement for the proposed eligible public improvements of Community Facilities District No. 22A (Folsom Heights); and

**NOW, THEREFORE, BE IT RESOLVED** that the Acquisition and Shortfall Agreement for Community Facilities District No. 22A (Folsom Heights) is hereby approved, and the City Manager is authorized to execute said Agreement in a form approved by the City Attorney.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

# ATTACHMENT 2

## Acquisition and Shortfall Agreement

07/23/2026

# COMMUNITY FACILITIES DISTRICT NO. 22A

# (FOLSOM HEIGHTS)

# ACQUISITION AGREEMENT

BY AND BETWEEN

THE CITY OF FOLSOM

AND

ELLIOTT HOMES, INC.

Dated as of _____, 2026

# ACQUISITION AGREEMENT

## City of Folsom Community Facilities District No. 22A (Folsom Heights)

### Recitals

A. The parties to this Acquisition Agreement (the "Agreement") are the CITY OF FOLSOM, (the "City"), and ELLIOTT HOMES, INC., an Arizona corporation ("Developer").

B. The effective date of this Agreement is _____, 2026 ("Effective Date").

C. The Developer intends to construct certain road, water, sewer and other public capital improvements, as more particularly described in **Exhibit A** attached hereto (collectively, the "Acquisition Improvements") to serve the development of real property owned by Developer within the Folsom Plan Area and within the boundaries of the District described below. The public capital improvements are to be owned and operated by the City, and the financing is to be accomplished, in part, with funding to be provided by the District under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the "Act").

D. On November 27, 2018, the City adopted Resolution No. 10216 to form City of Folsom Community Facilities District No. 22 (Folsom Heights) ("CFD 22") within the Folsom Plan Area to finance, among other authorized facilities, the Acquisition Improvements and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of forming the District.

E. At the request of the Developer, the City agrees to cooperate with the developer to abandon proceedings for CFD 22 and to conduct proceedings to form a new community facilities district with coterminous boundaries with the former CFD 22, to be known as City of Folsom Community Facilities District No. 22A (Folsom Heights) ("CFD 22A" or the "District"), with multiple improvement areas therein.

F. The District intends to levy special taxes and cause the Authority to issue CFD 22A Bonds to fund, among other things, a portion of the costs of the Acquisition Improvements. The proceeds of the District special taxes and CFD 22A Bonds, together with interest earned thereon, are referred to herein as the "Available Developer CFD Amount." The Available Developer CFD Amount shall include the amount of (i) special taxes, if any, collected for a period of twenty (20) years beginning with the Fiscal Year in which: (a) the first building permit is issued in CFD 22A, or (b) the first series of bonds or other debt is issued in CFD 22A, whichever occurs first, available to fund the direct payment for the acquisition and/or construction of Acquisition Improvements and not related to or required to fund debt service or Administrative Expenses, as defined in and determined in accordance with the Rate and Method of Apportionment for the District (the "Available Pay-Go Proceeds"), and (ii) the net acquisition proceeds generated by all CFD 22A Bond sale(s) issued by the Authority and secured by CFD 22A special taxes.

G. Attached hereto as **Exhibit A** is a description of the Acquisition Improvements and attached hereto as **Exhibit B** is a description of certain authorized discrete and usable portions of the Acquisition Improvements that may be acquired from Developer pursuant to Section 53313.51 of the Act. It is understood that the Available Developer CFD Amount may not be sufficient to reimburse the Developer for all of the costs and expenses of the Acquisition Improvements contemplated hereunder, or otherwise finance said improvements. Accordingly, Developer understands and acknowledges that any shortfall in the Available Developer CFD Amount toward the construction and completion of the Acquisition Improvements, unless otherwise provided in a separate agreement (e.g. the funding of costs under an acquisition agreement relating to another community facilities district or improvement area within the Folsom Plan Area), is the Developer's sole responsibility, and that this Agreement solely provides for the payment of the Acquisition Price from the Available Developer CFD Amount.

H. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement and final acceptance by the City Engineer in writing, the City will acquire the completed Acquisition Improvements.

I. Any and all monetary obligations of the City arising out of this Agreement are the special and limited obligations of the City payable only from the Available Developer CFD Amount, and no other funds whatsoever of the District, the Authority, or the City shall be obligated therefor under any circumstances under this Agreement.

J. Attached to this Agreement are **Exhibit A** (the Acquisition Improvements), **Exhibit B** (Eligible Portions of Acquisition Improvements, including related Design Costs), **Exhibit C** (form of Requisition), and **Exhibit D** (Insurance Requirements), all of which are incorporated into this Agreement for all purposes.

K. In consideration of the formation of the District and the mutual covenants, undertakings, and obligations set forth in this Agreement, the City and Developer agree as stated below.

## Agreement

## ARTICLE I

## DEFINITIONS; COMMUNITY FACILITIES DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

"Acceptable Title" means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except (i) those items which are reasonably determined by the City Engineer, upon consultation with the City Attorney, not to interfere with the intended use and therefore are not required to be cleared from the title, (ii) the lien of the District or any other community facilities district or assessment district.

"Acquisition and Construction Fund" means any such fund or account established by the

City or the District for the purpose of paying the Acquisition Prices of the Acquisition Improvements, which may include acquisition funds or accounts created in connection with the issuance of CFD 22A Bonds.

"Acquisition Improvements" means the Acquisition Improvements described in **Exhibit A** hereto, as the same may be amended from time to time, to be constructed by or on behalf of the Developer.

"Acquisition Price" means the total amount eligible to be paid to the Developer upon acquisition of the Acquisition Improvements as provided in Section 2.03, including any additional Available Developer CFD Amount collected thereafter that are eligible to be paid to Developer, but not to exceed the Actual Cost of the Acquisition Improvement, together with the CCI adjustment thereon until paid in full as provided herein.

"Actual Cost" means the total cost of the Acquisition Improvements, or Eligible Portions thereof, as documented by the Developer to the satisfaction of the City and as certified by the City Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer's cost of constructing the Acquisition Improvements or Eligible Portions thereof including grading, labor, material and equipment costs, (b) the Developer's cost of designing and engineering the Acquisition Improvements, preparing the plans and specifications and bid documents for the Acquisition Improvements, and the costs of inspection, materials testing and construction staking for the Acquisition Improvements, (c) the Developer's cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for the Acquisition Improvements, (d) the Developer's cost of any real property or interest therein that is either necessary for the construction of the final and accepted Acquisition Improvements (such as temporary construction easements or haul roads), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the City or its designee, (e) the Developer's cost of environmental evaluation or mitigation required for the Acquisition Improvements, (f) the amount of any fees actually paid by the Developer to the City and any other governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for the Acquisition Improvements, (g) the Developer's cost for construction and project management, administration and supervision services for the Acquisition Improvements, (h) the Developer's cost for professional services related to the Acquisition Improvements, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to the Acquisition Improvements.

"Actual Cost Certificate" means a certificate prepared by the Developer detailing the Actual Cost of the Acquisition Improvements, or Eligible Portions thereof, to be acquired hereunder, as may be revised by the City Engineer pursuant to Section 2.03.

"Agreement" means this Acquisition Agreement, dated as of _____, 2026.

"Authority" means the Folsom Ranch Financing Authority.

"Available Developer CFD Amount" shall have the meaning assigned to the term in Recital F.

"Available Pay-Go Proceeds" shall have the meaning assigned to the term in Recital F.

"CCI" means the construction cost index reported by the Engineering News Record used by the City to adjust construction costs, currently based on the average of the change in the San Francisco Construction Cost Index and the change in the 20-city Construction Cost Index for the 12-month period ending in May, or comparable index of annual construction costs for public capital improvements used by the City.

"CFD Administrator" means the administrator of the District appointed by the City.

"CFD 22A Bonds" means bonds or other indebtedness issued by the Authority that are to be repaid with District Special Taxes.

"City" means City of Folsom.

"City Engineer" means the City Engineer of the City or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

"Code" means the Government Code of the State of California.

"Developer" means Elliott Homes, Inc. an Arizona corporation, its successors and assigns, other than individual homeowners.

"Director" means the Director of the City's Community Development Department or his/her designee.

"Disbursement Request Form" means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof, in substantially the form contained in **Exhibit C** hereto.

"District" shall have the meaning assigned to the term in Recital E.

"Eligible Portions" means the eligible, discrete and usable portions of the Acquisition Improvements available for acquisition and payment of Installment Payments listed and described in **Exhibit B** hereto.

"Installment Payment" means an amount approved by the City Engineer as partial payment toward the Actual Cost of an Eligible Portion as shown in Exhibit B-Description of Eligible Portions of Acquisition Improvements.

"Project" means the Developer's development of the property in the District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the District.

"Special Taxes" means annual special taxes, and prepayments thereof, authorized by and to be levied by the District.

"Title Documents" means, for the Acquisition Improvements acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the City of the Acquisition Improvements (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvements (other than said real property interests) to the City, where applicable.

Section 1.02. Establishment of Community Facilities District. Developer and the City agree to reasonably cooperate with one another to form the District and improvement areas therein and in the completion of the financing through the issuance of the CFD 22A Bonds in one or more series for each improvement area therein and/or the collection of Special Taxes to generate Available Pay-Go Proceeds.

Section 1.03. Deposit and Use of Available Developer CFD Amount.

(a) Developer Pay-Go Proceeds. Available Pay-Go Proceeds collected by the District shall be deposited in the Acquisition and Construction Fund established by the District, and may be disbursed to pay the Acquisition Price and Installment Payments of Acquisition Improvements in accordance with Article II of this Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available Developer CFD Amount.

(b) Application of CFD 22A Bond Series. Upon the delivery of each issue or issues of CFD 22A Bonds, the net proceeds thereof shall be deposited into the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price and Installment Payments of the Acquisition Improvements, or portions thereof, as specified in Article II hereof.

(c) Priority Use of Available Developer CFD Amount. The Available Developer CFD Amount will be used primarily to fund the costs of the Acquisition Improvements, and then to fund the costs of any other developer improvements advanced and/or constructed by a developer within the Folsom Plan Area that are authorized for acquisition by the City. The Available Developer CFD Amount shall be used first to fund any of the Acquisition Improvements, in any order, as and when each Acquisition Improvement or Eligible Portion is completed and payment of the Acquisition Price or Installment Payment can be paid to Developer as provided herein. Upon completion of all of the Acquisition Improvements hereunder and payment of the Acquisition Prices therefor, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the City as necessary to reserve for claims against the account) shall be (i) applied or reserved for application to pay the costs of any other authorized developer improvements and, to the extent not so used, (ii) shall be applied by the City to call Bonds or to reduce Special Taxes as the City shall determine.

Section 1.04. No Effect of CFD Funding on SPIF Payments . If and to the extent any of the Acquisition Improvements are also included for financing within the Specific Plan

Infrastructure Fee Program (the "SPIF Program"), any payments hereunder from Available Developer CFD Amount to Developer for such Acquisition Improvements shall not affect or limit Developer's ability to obtain and apply fee credits against and/or fee reimbursements from the SPIF Fee Program in consideration of its construction of the Acquisition Improvements that are included for financing in the SPIF Program. Developer's right to any such fee credits and/or fee reimbursements from the SPIF Program would be subject to and contingent upon Developer's entering into and complying with the requirements of a separate SPIF Fee Reimbursement Agreement to be entered into between the City and Developer for the Acquisition Agreements that are included for financing in the SPIF Program.

Section 1.05. No District or City Liability; City Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the District or the City or any actual or alleged omission, negligence, or failure to act by the District or the City with respect to the performance of its obligations hereunder subject the District or the City to any liability therefor, whether monetary or otherwise (except only as to pay any amounts available and payable hereunder from the Available Developer CFD Amount). Further, nothing in this Agreement shall be construed as affecting the Developer's or the City's duty to perform their respective obligations under any other agreements between the parties hereto, or the City's enforcement of applicable laws, ordinances, rules, policies and regulations pertaining to public improvement standards and/or specifications, as well as land use and subdivision requirements related to the Project, all of which are and shall remain independent of the Developer's and the City's rights and obligations under this Agreement.

## ARTICLE II

## DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, or through the City has advanced funds for the engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the City or directly to the design consultant) incurred prior to the Effective Date, as identified on **Exhibit B** attached hereto, shall be reimbursed at the time of the first Bond sale, and, thereafter, all additional, eligible design engineering and related costs shall be reimbursed at the time of acquisition of the Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. Except with respect to Acquisition Improvements completed to the satisfaction of the City prior to the date of formation of the District, Developer agrees to comply with City requirements with respect to contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts, other than for Acquisition Improvements completed prior to the date of formation of the District, shall call for compliance with all provisions of the prevailing wage law for "public works" as required by the Labor Code of the State of California and shall require all

work to be performed by licensed general contractors. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wage laws applicable to public works.

(a) Plans and Specifications. The Developer represents and covenants that it has obtained or will obtain approval of the plans and specifications for the Acquisition Improvements from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained, prior to construction. The Developer further covenants that the Acquisition Improvements will be constructed in full compliance with such approved plans and specifications and any change orders thereto, as approved in the same manner, and the adopted City Standard Construction Specifications and Improvement Standards. The Developer shall submit copies of all plans and specifications to the Director or his/her designee.

(b) CEQA. The Developer covenants that it has complied or will comply with the California Environmental Quality Act in conjunction with the construction of the Acquisition Improvements and their conveyance pursuant to the terms set forth herein.

(c) Inspection. The Developer covenants that the City, and other public entities or public utilities to whom any of the Acquisition Improvements will be conveyed, will be permitted to inspect the Acquisition Improvements using the same standards which would be applied to a public works project.

(d) Insurance. With respect to the construction of the Acquisition Improvements, the Developer shall furnish to City a certificate or certificates of insurance, with an insurance carrier acceptable to City and in a form satisfactory to the City Attorney, evidencing insurance coverage consistent with **Exhibit D** attached hereto.

(e) Performance and Payment Bonds. Except as otherwise provided herein, the Developer covenants to comply with all applicable performance, labor and materials and completion bond requirements of the City with respect to the construction of the Acquisition Improvements. To the extent bonds are required, Developer further covenants and agrees to execute and deliver or otherwise cause to be provided to City, prior to construction and in forms acceptable to the City Attorney, a faithful Performance Bond in the amount of 100% of the estimated cost of the Acquisition Improvements and a Labor and Materials Bond in the amount of 100% of the estimated cost of the Acquisition Improvements, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent. Such bonds shall only be released upon full completion of the Acquisition Improvements, the City's written acceptance of the Acquisition Improvements, and payment of all persons furnishing labor and materials.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the City each of the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already owned by the City), when each of the Acquisition Improvements is completed to the satisfaction of the City and accepted by the City Engineer in writing for an amount not to exceed the lesser of (i) the Available Developer CFD Amount and (ii) the Actual Cost of the Acquisition

Improvement(s), increased from and after the completion of the Acquisition Improvements until paid in full based on the annual increase, if any, in the CCI from such completion to date of payment (the "Acquisition Price"). Notwithstanding any provision to the contrary, the Developer understands that the Available Developer CFD Amount for the acquisition of the Acquisition Improvements may not be sufficient to reimburse the Developer for all of the costs and expenses constructing the Acquisition Improvements, or otherwise finance said improvements. Accordingly, Developer understands and acknowledges that any shortfall in the amount of Available Developer CFD Amount for the construction and completion of the Acquisition Improvements, unless otherwise provided in a separate agreement (e.g. the funding of costs under an acquisition agreement relating to another improvement area within the Folsom Plan Area), is the Developer's sole responsibility, and that this Agreement solely provides for the payment of the Acquisition Price from the Available Developer CFD Amount.

**Exhibit A**, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of the Acquisition Improvements eligible for Installment Payments prior to completion of the entire Acquisition Improvements are described as eligible, discrete and usable portions in **Exhibit B** (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the City Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the City Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the City Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If the further documentation is still not adequate, the City Engineer may update the Actual Cost Certificate to revise or delete any disallowed items and the determination shall be subject to appeal to the Director, whose determination shall be final.

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project or to multiple Acquisition Improvements. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the City Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Soft costs will be allocated to each Acquisition Improvement as approved by the City Engineer. The costs of environmental mitigation required to mitigate the impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the City Engineer. Pursuant to Section 2.01, all eligible expenditures of soft costs in connection with the Acquisition Improvements (whether as an advance to the City or directly to the design consultant) incurred prior to the Effective Date, as identified in **Exhibit B** attached hereto, shall be reimbursed at the time of first Bond sale, and, thereafter, all additional, eligible soft costs shall be reimbursed at the time of acquisition of the Acquisition Improvements.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for each Acquisition Improvement shall in every case be conditioned first upon the determination of the City Engineer that the Acquisition

Improvement satisfies all City construction standards and specifications, rules, policies, regulations and ordinances and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) Lien Releases. The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already owned by the City) comprising the Acquisition Improvement, and the property which is subject to the Special Taxes of the District, is subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) Payment of Taxes. The Developer shall be current in the payment of all due and payable general property taxes, and all Special Taxes of the District, on property owned by the Developer or under option to the Developer within the Community Facilities District.

(c) Certification No Loan Default. The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) Title Documents. The Developer shall have provided the City with Title Documents needed to provide the City with Acceptable Title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the City Attorney and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the City Attorney insuring the City as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

(e) Retention for Punch List Work. In the case of a completed Acquisition Improvement suitable for public use, but for which certain punch list work remains to be completed prior to formal acceptance by the City, the City shall retain from the payment of any Acquisition Price for such Acquisition Improvement the amount of one hundred and fifty percent (150%) of the value of punch list work not completed. Upon payment and acceptance of the Acquisition Price, less the retention for any punch list work, for each completed Acquisition Improvement or portion thereof, Developer shall have no further claim for payment from the City with respect to the retentions until completion of the punch list work. The City shall hold the retention amount on all Acquisition Improvements acquired until the punch list work is completed and accepted by the City. Provided, however, in any event, the City will not pay for the acquisition of any completed Acquisition Agreement or portion thereof unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication and the remaining conditions precedent to payment under this Section 2.04 are satisfied.

(f) Warranty Bond. The Developer shall provide to City a warranty bond equal to 10% of the Actual Cost of the Acquisition Improvement. Commencement of the one-year

warranty period shall start at the time of City's formal acceptance of the Acquisition Improvements in writing.

Section 2.05. Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the City Engineer with respect to any Eligible Portion. Payment to the Developer or its designee from the Acquisition and Construction Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first upon the determination of the City Engineer, that the Eligible Portion has been completed in accordance with all applicable plans and City construction standards and specifications, rules, policies, regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the City) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.

(b) The Developer shall be current in the payment of all due and payable general property taxes, and all Special Taxes of the District, on property owned by the Developer or under option to the Developer within the District.

(c) The Developer shall have provided the City with Title Documents needed to provide the City with Acceptable Title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated. All such Title Documents shall be in a form acceptable to the City Attorney and shall be sufficient, upon completion of the Acquisition Improvements of which the Eligible Portion is a part, to convey Acceptable Title to the Eligible Portion. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the City Attorney insuring the City as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Installment Payment for the Eligible Portion.

(d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans, standards and specifications for the Acquisition Improvements approved by the City Engineer, shall be in place to secure completion of the Acquisition Improvements of which the Eligible Portion is a part. As an alternative thereto, Developer may ask the City to retain and reserve the amount of funds in the Acquisition and Construction Fund equal to the estimated cost to complete such Acquisition Improvements in the manner described in Section 2.02(e) above.

(e) The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the "Installment Payment" with respect to the Eligible Portion.

Section 2.06. Disbursement Request Form. Upon a determination by the City Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 2.04 or to pay an

Installment Payment for an Eligible Portion thereof pursuant to Section 2.05, the City Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as **Exhibit C** to be submitted to the CFD Administrator for payment from the Acquisition and Construction Fund, up to the Acquisition Price or Installment Payment amount, and the CFD Administrator shall authorize such payment directly to the Developer or its designee of the authorized amount.

In the event that the Actual Cost of the Acquisition Improvements or the Installment Payment for an Eligible Portion is in excess of the amounts then available in the Acquisition and Construction Fund, subject to any retention of funds as security for the work pursuant to Section 2.02(e) and/or for punch list work pursuant to Section 2.04(e), the CFD Administrator and/or the City shall withdraw all funds then available in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost, as adjusted by the CCI, shall be paid from funds that may subsequently be deposited in and/or become available for payment from the Acquisition and Construction Fund. Developer understands that the Available Developer CFD Amount for the acquisition of the Acquisition Improvements may not be sufficient to reimburse the Developer for all of the costs and expenses constructing the Acquisition Improvements, or otherwise finance said improvements. Accordingly, Developer acknowledges and agrees that any shortfall in the Available Developer CFD Amount toward the construction and completion of the Acquisition Improvements is the Developer's sole responsibility, and that the Acquisition Price will be paid solely from the Available Developer CFD Amount.

Section 2.07. Limitation on Obligations. Notwithstanding any provision to the contrary, in no event shall the District, the Authority or the City be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund for the Acquisition Improvements under this Agreement.

Section 2.08. Warranties; Maintenance. Developer warrants the Acquisition Improvements as to materials and workmanship and should any failure due to faulty design or materials of the Acquisition Improvements or any parts thereof occur within a period of one (1) year after formal acceptance of the completed Acquisition Improvements by the City in writing (the "Warranty Period"), Developer shall promptly cause the needed repairs to be made at its sole cost and expense, without any expense or cost to City and without further reimbursement from the City. Developer shall provide to City, at the time of submittal of each payment request, a warranty bond equal to 10% of the value of each Acquisition Improvement.

During the Warranty Period, the City is hereby authorized to make repairs if Developer fails to make, or undertake with due diligence, the aforesaid repairs within twenty (20) calendar days after it is given written notice of such failure. In case of emergency where delay would cause serious hazard to the public, the necessary repairs may be made by City without prior notice to Developer. In all cases of failure of the Acquisition Improvements within the Warranty Period where the City has taken action in accordance with this paragraph, Developer shall reimburse City for any and all costs or expenses, direct and indirect, incurred by the City within thirty (30) calendar days of receiving invoice from the City. If the Developer fails to timely pay such reimbursement, the City may recover such costs or expenses from any and all Available Developer CFD Amount in the Acquisition and Construction Fund, in addition to any and all remedies at law or in equity.

Any warranties, guarantees or other evidence of continuing obligations of third persons with respect to any Acquisition Improvement to be acquired by the City shall be delivered to the Director as part of the conveyance of the Acquisition Improvement. No later than the time for such conveyance, the Developer shall verify and confirm existence of a funding mechanism acceptable to City for the ongoing maintenance of the Acquisition Improvements in accordance with applicable City standards, policies and ordinances and for such periods as are required by applicable City standards, policies and ordinances.

## ARTICLE III

## MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the City, the Authority, the District, and their respective officers, directors, employees and agents (collectively, the "Indemnitees"), from and against all actions, damages, claims, losses or expenses of every type and description including but not limited to personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of the Developer or its contractors, subcontractors, agents, or employees, to which the Indemnitees may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its contractors, subcontractors, agents or employees arising out of any contract for the design, engineering and construction of the Acquisition Improvements entered into by or for the Developer, or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the District's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the District financing (Developer hereby acknowledges that it has been furnished a copy of the official statement for the District and has not objected thereto). Nothing in this Section 3.01 shall limit in any manner the City's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Indemnitees for any wrongful acts, willful misconduct, active negligence or omissions to act of the Indemnitees. It is understood that the duty of Developer to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of any insurance certificates or endorsements does not relieve Developer from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Developer acknowledges and agrees to the provisions of this Section and that it is a material element of consideration. The foregoing indemnity obligation of the Developer shall survive the termination or expiration of this Agreement.

Section 3.02. Audit. The City shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the

Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The City and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the District through the levy of the Special Taxes and issuance of CFD 22A Bonds. The City and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. It is expressly agreed that there are no third party beneficiaries of this Agreement, including without limitation any owners of Bonds, any of the City's, District's or Developer's contractors for the Acquisition Improvements and any of the City's, District's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the City from any condition of development or requirement imposed by any other agreement between the City and the Developer, and, in the event of a conflicting provision, the other agreement shall prevail unless the conflicting provision is specifically waived or modified in writing by the City and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed or e-mailed to:

| If to the City: | If to the Developer: |
|---|---|
| Chief Financial Officer<br>City of Folsom<br>50 Natoma Street<br>Folsom, CA 95630<br>E-mail: stamagni@folsom.ca.us | Price Walker<br>Elliott Homes, Inc.<br>340 Palladio Parkway, Suite 521,<br>Folsom, CA 95630<br>E-mail: p.walker@elliotthomes.com |
| With a copy to: | With a copy to: |
| City Attorney<br>City of Folsom<br>50 Natoma Street<br>Folsom, CA 95630<br>E-mail: sdierking@folsom.ca.us | Chad Roberts<br>Hefner Law<br>2150 River Plaza Drive, Suite 450<br>Sacramento, CA 95833<br>Email: croberts@hsmlaw.com |

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. Any action brought relating to this Agreement shall be held exclusively in a state court in the County of Sacramento.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the City, which consent shall not be unreasonably withheld.

Section 3.14. Remedies in General. It is acknowledged by the parties that the City would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, and therefore the Developer hereby waives any and all claims for damages against the City and its officers, agents and employees for breach of this Agreement. This waiver of damages by Developer shall not preclude any action by Developer to specifically enforce the obligations of the City hereunder to review and approve for acceptance and acquisition the Acquisition Improvements constructed by Developer in accordance with the terms hereof and to process applications for payment with the CFD Administrator for payment to Developer from the Acquisition and Construction Fund of the approved Acquisition Price for each of the Acquisition Improvements completed by Developer.

The parties further acknowledge that damages are not a remedy under this Agreement, and thus, while in general each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, the City shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer. The Developer may, without any claim for damages of any kind, in addition to other rights or remedies, institute an action to cure, correct, specifically enforce or remedy any default in the processing of the payments to the Developer specified in this Agreement. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

**DEVELOPER:**

**ELLIOTT HOMES, INC.,**
**an Arizona corporation**

By: _____
Name: _____
Its: _____

**CITY:**

**CITY OF FOLSOM,** A Municipal Corporation:

| | |
|---|---|
| Date | Bryan Whitemyer, City Manager |
| ATTEST: | FUNDING AVAILABLE: |
| Christa Freemantle, City Clerk | Stacey Tamagni, Chief Financial Officer |
| ORIGINAL APPROVED AS TO CONTENT: | ORIGINAL APPROVED AS TO FORM: |
| Rebecca Neves, Director<br>Public Works Department | Sari Dierking, City Attorney |

# EXHIBIT A TO THE ACQUISITION AGREEMENT

## DESCRIPTION OF ACQUISITION IMPROVEMENTS AND ESTIMATED AMOUNTS

| ACQUISITION IMPROVEMENTS[1] | ESTIMATED AMOUNTS |
|---|---|
| **1. Mass Grading**<br>Any and all mass grading designed to meet the needs of development within CFD 22A, including:<br><br>(a) streets;<br><br>(b) parks and open spaces;<br><br>(c) drainage facilities, outfalls and water quality measures, detention/retention basins, drainage ways/channels, and access roads, gates and fencing. | $18,330,418 |
| **2. Roadway Improvements for Empire Ranch Road**<br>Any and all roadway improvements designed to meet the needs of development within CFD 22A, including:<br><br>(a) fine grading and paving, curbs, gutter and sidewalks;<br><br>(b) city owned sanitary sewer pipe, manholes and appurtenances;<br><br>(d) signing, striping, site lighting, pull boxes and appurtenances;<br><br>(e) storm drain pipe, manholes and appurtenances. | $4,129,237 |
| **3. Roadway Improvements for Folsom Heights Phase 1**<br>Any and all roadway improvements designed to meet the needs of development within CFD 22A, including:<br><br>(a) fine grading and paving, curbs, gutter and sidewalks;<br><br>(b) sanitary sewer pipe, manholes and appurtenances for 80 lots in the Phase 1 development;<br><br>(c) signing, striping, site lighting, pull boxes and appurtenances;<br><br>(d) storm drain pipe, manholes and appurtenances. | $20,821,793 |

# EXHIBIT B TO THE ACQUISITION AGREEMENT

## DESCRIPTION OF ELIGIBLE PORTIONS OF ACQUISITION IMPROVEMENTS, INCLUDING RELATED DESIGN COSTS

**[None]**

# EXHIBIT C TO THE ACQUISITION AGREEMENT

## DISBURSEMENT REQUEST FORM
## (Acquisition Improvement or Eligible Portion)

To: Folsom Ranch Financing Authority CFD Administrator (Community Facilities District No. 22A)
Attention: _____
E-mail: _____
Phone: _____

Re: Community Facilities District No. 22A [Improvement Area No. __] Disbursement

The undersigned, a duly authorized officer of the Developer, hereby requests a withdrawal from the City of Folsom Community Facilities District No. 22A [Improvement Area No. __] Acquisition and Construction Fund, as follows:

| | |
|---|---|
| Request Date: | [Insert Date of Request] |
| Withdrawal Amount: | [Insert Acquisition Price/Installment Payment] |
| Acquisition Improvements: | [Insert Description of Acquisition Improvement(s)/Eligible Portion(s) from Exhibit A] |
| Payment Instructions: | [Insert Wire Instructions or Payment Address for Construction Lender, or Developer or other Developer designee provided by the Developer after termination of direct payments to Construction Lender per Section 2.07] |

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from the Acquisition and Construction Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Construction Fund, the CFD Administrator is authorized to pay the amount of such funds (excluding any amounts being retained therein as directed by the City in lieu of Performance and Payment Bonds and/or for punch list work) and to pay remaining amount(s) as funds are subsequently deposited in and/or become available for payment from the Acquisition and Construction Fund, should that occur.

| | |
|---|---|
| **Developer:**<br><br>**Elliott Homes, Inc.**<br><br>_____<br>Authorized Representative | **Approved By:**<br><br>**City of Folsom**<br><br>_____<br>City Engineer |

# EXHIBIT D TO THE ACQUISITION AGREEMENT

INSURANCE REQUIREMENTS

NOTE: The word "Consultant" in this Exhibit refers to either "Consultant", "Developer" or "Contractor" as the term is used in the Agreement/Contract to which this Exhibit is attached.

A. During the term of this Agreement, Consultant shall maintain in full force and effect at all times during the term of the contract, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

   a. General liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.

   b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).

   c. Claims-made coverage is not acceptable.

   d. The limits of liability shall not be less than:
      Each occurrence: One Million Dollars ($1,000,000)

      Products & Completed Operations: One Million Dollars ($1,000,000)

      Personal & Advertising Injury: One Million Dollars ($1,000,000)

   e. If a general aggregate limit of liability is used, the minimum general aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the general aggregate limit shall apply separately to the project that is the subject of the contract.

   f. If a products and completed operations aggregate limit of liability is used, the minimum products and completed operation aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the products and completed operations aggregate limit shall apply separately to the project which is the subject of the contract.

   g. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. Automobile Liability:

   a. Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles.

   b. Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbol 1 (any auto).

c. The limits of liability per accident shall not be less than:

| | |
|---|---|
| Combined Single Limit | One Million Dollars ($1,000,000) |

d. If Automobile Liability coverage, as required above, is provided by the Commercial General Liability form, the General Liability policy shall include an endorsement providing automobile liability as required above.

3. Workers' Compensation
   a. Workers' Compensation Insurance, with coverage as required by the State of California (unless the Consultant is a qualified self-insurer with the State of California), and Employer's Liability coverage.
   b. Employer's Liability Coverage with a limit not less than $1,000,000 per accident for bodily injury and disease.
   c. Consultant shall sign and file with the City department responsible for this Agreement/Contract the Worker's Compensation Certificate contained in the Project Manual.
4. Insurance Required in the Supplementary Conditions: Consultant shall be required to comply with all conditions as stipulated in the Standard Construction Specifications, any supplementary conditions and any special provisions as applicable.
5. Professional Liability Insurance: If required, errors and omissions, malpractice or professional liability insurance with coverage of not less than $1,000,000 per occurrence.
6. Other Insurance Provisions:
   a. The Consultant's General Liability and Automobile Liability policies shall contain, or be endorsed to contain, the following provisions:
      i. The City, its officials, employees, agents and volunteers shall be covered and specifically named as additional insureds on a separate endorsement as respects liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied, or used by the Consultant, or automobiles owned, leased, hired, or borrowed by the Consultant in a form acceptable to the City Attorney.
      ii. The Endorsement requirement may be satisfied with express provisions in the insurance policy(ies) which identifies any person or entity required to be included as an insured under the policy. A copy of the declarations page identifying the policy number, and pertinent provisions in the policy providing additional insured coverage shall be provided to the City.
      iii. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents or volunteers.
   b. For any claims related to the project, the Consultant's General Liability and Automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

c. Any failure to comply with reporting or other provisions of the policies on the part of the Consultant, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

d. The Consultant's Workers Compensation and Employer's Liability policies shall contain an endorsement that waives any rights of subrogation against the City, its officers, officials, employees, agents, and volunteers.

e. Each insurance policy shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, non-renewed, or materially changed except after **30 days prior written notice** by certified mail has been given to the City. Ten days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.

7. Acceptability of Insurers: Insurance is to be placed with insurers with **a Bests' rating of no less than A:VII**.

8. The Consultant shall furnish the City with Certificates of Insurance and endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this section, the Standard Specifications, Special Provisions and/or any Supplementary Conditions. **The Consultant shall furnish complete, certified copies of all required insurance policies, including original endorsements specifically required hereunder if requested.**

9. The Consultant shall report, by telephone to the Project Manager within 24 hours, and also report in writing to the City within 48 hours, after Consultant or any Subcontractors or agents have knowledge of, any accident or occurrence involving death of or serious injury to any person or persons, or damage in excess of Ten Thousand Dollars ($10,000) to property of the City or others, arising out of any work done by or on behalf of the Consultant as part of the contract.

10. Such report shall contain:

    a. the date and time of the occurrence,

    b. the names and addresses of all persons involved, and

    c. a description of the accident or occurrence and the nature and extent of the injury or damage.

11. The City, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the contract by giving 30 days written notice.

12. If the Consultant fails to procure or maintain insurance as required by this section, the Standard Specifications, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion,

may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Consultant under the contract.

13. Failure of the City to obtain such insurance shall in no way relieve the Consultant from any of its responsibilities under the contract.
14. The making of progress payments to the Consultant shall not be construed as relieving the Consultant or its Subcontractors of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
15. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.
16. In the event Consultant carries Excess Liability Coverage, the Excess Liability Coverage shall apply to any and all claims related to the project on a primary and non-contributory basis, and the City's insurance or self-insurance coverage shall be excess to the Consultant's Excess Liability Coverage.

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11687 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Folsom Lake Ford for the Purchase of One Ford Vehicle for $68,664.18, and Use of Funds from Landscaping and Lighting Districts and Community Facility Districts (22-L&L)(9-CFD) |
| **FROM:** | Parks and Recreation Department |

## RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11687 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Folsom Lake Ford for the Purchase of One Ford Vehicle for $68,664.18, and Use of Funds from Landscaping and Lighting Districts and Community Facility Districts (22-L&L)(9-CFD).

## BACKGROUND / ISSUE

The Municipal Landscape Services (MLS) Division utilizes fleet vehicles on a daily basis to inspect, maintain, and respond to service requests for the City's Landscaping and Lighting Districts (L&Ls) and Community Facility Districts (CFDs). One of the Division's existing vehicles has reached the end of its useful service life due to its age (1999), mileage (84,548), and increasing maintenance needs. As the vehicle continues to age, repair costs and downtime have increased, reducing its reliability and availability for daily operations.

Replacing the existing vehicle will improve operational efficiency, enhance employee safety by providing a more reliable vehicle equipped with current safety features, and reduce ongoing maintenance and repair expenses. The replacement vehicle is intended to serve the same operational purpose as the existing unit and will ensure that MLS staff can continue to effectively perform inspections, respond to maintenance requests, transport personnel and equipment, and maintain the City's public landscape assets.

The proposed purchase is a planned fleet replacement and does not expand the City's fleet inventory. Instead, it replaces an existing vehicle that will be removed from service in accordance with the City's fleet management practices.

## 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 $77,426 or greater shall be awarded by the City Council.

The Parks and Recreation Department, in coordination with the City Fleet Division, solicited quotations from Sourcewell and Folsom Lake Ford for the purchase of a Ford F250 truck with a utility bed. Although FMC Section 2.36.170 allows for the purchase of this vehicle directly through the Sourcewell contract number without having to solicit multiple quotes, City staff also solicited a quote from Folsom Lake Ford to compare pricing and to offer an opportunity for a local dealership to bid on the purchase. Folsom Lake Ford submitted the lowest responsive quotation that met the City's vehicle specifications and operational requirements.

This purchase is under the City Manager's authority, however multiple departments purchase through Folsom Lake Ford, meaning the total annual purchases from the vendor exceed the City Manager's approval authority.

## ANALYSIS

The proposed vehicle purchase is a scheduled replacement of an aging MLS Division vehicle that has exceeded its useful service life. The existing vehicle has experienced increased maintenance requirements, higher operating costs, and reduced reliability, which can impact staff productivity and the Division's ability to provide timely maintenance and emergency response services. Photographs documenting the current condition of the vehicle are included in Attachment 2.

The replacement vehicle will support the MLS Division's daily operations by providing dependable transportation for staff, tools, equipment, and materials used to maintain landscaped corridors, mini-parks, open space areas, irrigation systems, street lighting, and other Landscaping and Lighting Districts, and Community Facility District assets. A reliable fleet vehicle is essential to maintaining service levels, responding to customer requests, conducting inspections, and performing routine and emergency maintenance activities throughout the City.

Replacing the vehicle at the end of its service life is consistent with the City's fleet management practices and helps minimize long-term maintenance costs while improving operational efficiency. In addition, the new vehicle will include modern safety features that enhance employee safety and reduce the likelihood of unexpected breakdowns and service interruptions.

Approval of this purchase will allow the MLS Division to continue providing efficient, reliable, and cost-effective maintenance services without increasing the overall size of the City's fleet, as the new vehicle will replace an existing unit being removed from service.

## ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

## FINANCIAL IMPACT

If approved, the purchase agreement with Folsom Lake Ford for the purchase of a Ford vehicle for $68,664.18 would be funded through the twenty-two (22) Landscaping and Lighting Districts, and nine (9) Community Facility Districts (Attachment 3 – Funding Breakdown). Sufficient funds are budgeted and available for the purchase. There is no impact to the General Fund for this purchase.

## ATTACHMENTS

1. Resolution No. 11687 – A Resolution Authorizing the City Manager to Execute a Purchase Agreement with Folsom Lake Ford for the Purchase of One Ford Vehicle for $68,664.18, and Use of Funds from Landscaping and Lighting Districts and Community Facility Districts (22-L&L)(9-CFD)
2. Vehicle Photos
3. Funding Breakdown

Submitted,

Kelly Gonzalez,
Parks & Recreation Director

Attachment 1

# RESOLUTION NO. 11687

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AGREEMENT WITH FOLSOM LAKE FORD FOR THE PURCHASE OF ONE FORD VEHICLE FOR $68,664.18, AND USE OF FUNDS FROM LANDSCAPING AND LIGHTING DISTRICTS AND COMMUNITY FACILITES DISTRICTS (22-L&L)(9-CFD)

**WHEREAS,** the City of Folsom Municipal Landscape Services Division relies on fleet vehicles to inspect, maintain, and respond to service requests involving the Landscaping and Lighting Districts, and Community Facility Districts related to landscape corridors, streetscapes, mini-parks, open spaces, irrigation systems, street lighting, and other public infrastructures; and

**WHEREAS,** one of the Municipal Landscape Services Division's existing fleet vehicles has reached the end of its useful service life due to its age, mileage, and increasing maintenance requirements, resulting in reduced reliability and high operating costs; and

**WHEREAS,** replacing the existing vehicle will improve operational efficiency, enhance employee safety through modern safety features, reduce ongoing maintenance expenses, and ensure the continued delivery of essential municipal landscape maintenance services; and

**WHEREAS,** the proposed purchase is a planned fleet replacement and will not increase the overall size of the City's fleet, as the existing vehicle will be removed from service in accordance with the City's fleet management practices; and

**WHEREAS,** sufficient funds are budgeted and available within the (22) Landscaping and Lighting Districts and (9) Community Facilities Districts; and

**WHEREAS,** Folsom Lake Ford provided the lowest quote; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute a purchase agreement with Folsom Lake Ford for the purchase of one Ford vehicle for $68,664.18.

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

**Attachment 2**

Front of vehicle #475

Rear of vehicle #475

View of inside cab of vehicle #475

View of roof inside vehicle #475

Attachment 3

**Attachment 3**

| # | Fund | District | $$ per fund |
|---|---|---|---|
| 1 | 270 | American River Canyon North No. 2 | $202.54 |
| 2 | 275 | American River Canyon North No. 3 | $5,431.39 |
| 3 | 250 | Blue Ravine Oaks (The Shores) | $739.92 |
| 4 | 205 | Briggs Ranch | $1,937.06 |
| 5 | 210 | Broadstone 1 & 2 | $4,111.73 |
| 6 | 209 | Broadstone Unit 3 | $766.44 |
| 7 | 266 | Broadstone Unit 3 (CFD) | $10,976.54 |
| 8 | 234 | Cobble Ridge | $71.76 |
| 9 | 214 | Cobble Ridge II / Reflections | $1,102.05 |
| 10 | 281 | Folsom Heights No. 2 | $707.36 |
| 11 | 212 | Hannaford Cross | $228.90 |
| 12 | 213 | Lake Natoma Shores (The Preserves) | $384.13 |
| 13 | 204 | Los Cerros | $400.36 |
| 14 | 207 | Natoma Station | $2,865.51 |
| 15 | 232 | Natoma Valley / Lakeridge Estates (KNOLLS) | $291.73 |
| 16 | 215 | Prairie Oaks Ranch No. 2 | $6,062.59 |
| 17 | 231 | Sierra Estates | $40.25 |
| 18 | 237 | Silverbrook | $86.68 |
| 19 | 251 | Steeplechase | $322.82 |
| 20 | 271 | The Residences at American River Canyon 1 & 2 | $165.23 |
| 21 | 284 | Willow Creek Estates East No. 2 | $991.63 |
| 22 | 252 | Willow Creek Estates South | $2,457.48 |
| 23 | 260 | Willow Springs | $372.86 |
| 24 | 262 | Willow Springs (CFD) | $3,204.03 |
| 25 | 285 | Prospect Ridge | $343.99 |
| 26 | 283 | The Islands (CFD) | $1,355.73 |
| 27 | 288 | CFD 18 | $19,820.92 |
| 28 | 289 | CFD 19 | $1,876.11 |
| 29 | 291 | CFD 23 IA1 | $837.84 |
| 30 | 292 | CFD 23 IA2 | $112.78 |
| 31 | 294 | CFD 23 IA4 | $308.35 |
| 32 | 297 | CFD 23 IA7 | $87.46 |
| **Total** | | | **$68,664.18** |

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **SUBJECT:** | Resolution No. 11688 – A Resolution Rejecting All Proposals for the City Hall Campus Exterior Paint Project |
| **FROM:** | Parks and Recreation Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends the City Council approve Resolution No. 11688 – A Resolution Rejecting All Proposals for the City Hall Campus Exterior Paint Project.

**BACKGROUND / ISSUE**

The City of Folsom Facilities Division issued a request for proposals from qualified commercial painting contractors to perform exterior painting services for City Hall, the Folsom Community Center, the Folsom Police Department Headquarters, and the Folsom Public Library.

**POLICY / RULE**

In accordance with Chapter 2.36 of the Folsom Municipal Code, City Council approval is required for contracts in excess of $77,426.

In accordance with Folsom Municipal Code section 2.36.180, the City Council may reject all proposals when it is for good cause and in the best interest of the City.

**ANALYSIS**

On June 25, 2026, the Parks & Recreation Department advertised on PublicPurchase.com seeking proposals for the exterior painting of the Folsom City Hall, Community Center, Folsom Police Station, and the Folsom Public Library. The city requested both qualifications and a proposal from contractors for the advertised project.

**The overall procurement process consisted of the following steps:**

- Posting of the request for proposal package: June 25, 2026
- Pre-Proposal meeting: July 6, 2026
- Proposals Due to City: July 24, 2026 (4:00 PM)

- Proposals of Qualified Contractors Opened: July 24, 2026
- Anticipated Notice of Award: August 11, 2026

The City received 12 responses to the RFP package from the following vendors:

| Company | Proposal |
|---|---|
| Color New Corp | $ 170,000 |
| Affordable Quality Painting | $ 189,200 |
| Perfection Painting | $ 224,000 |
| George Masker Painting | $250,000 |
| Primal Painting | $289,408 |
| All-Star Painting | $333,000 |
| Diamond Painting | $381,000 |
| Vivid-Accent Painting | $381,900 |
| CMA Painting | $385,000 |
| Anchor Singh Painting | $426,000 |
| Pacific Rim Painting | $515,000 |
| D&H Painting | $567,174 |

The project was publicly advertised, with the intent to recommend award to the lowest responsive and responsible proposer. Twelve proposals were received. During the initial review, Color New Corp. was determined to be non-responsive based on the understanding that only two of the three required signed addenda had been submitted. Consequently, Affordable Quality Painting was identified as the apparent successful proposer, and the results were posted on the Public Purchase procurement portal.

Following the posting of the results, Color New Corp. notified the City that all three required signed addenda had been included in its original submission and requested that the documents be re-evaluated. Upon further review, staff confirmed that all three signed addenda were included in the original proposal package and determined that the initial finding of non-responsiveness was made in error.

To preserve the integrity, fairness, and transparency of the public procurement process, staff recommends rejecting all bids and re-advertising the project through the Public Purchase procurement portal. Re-advertising the project will provide all interested vendors with an equal opportunity to compete under a fair and transparent procurement process while eliminating any uncertainty associated with the initial evaluation.

## FINANCIAL IMPACT

Funding for this project has been identified and is available within the approved project budget. Staff does not anticipate that rejecting all proposals and re-advertising the project will result in a material financial impact; however, final project costs will be determined upon receipt of new bids or proposals.

**ATTACHMENT**
Resolution No. 11688 – A Resolution Rejecting All Proposals for the City Hall Campus Exterior Paint Project.

Submitted,

Kelly Gonzalez,
Parks & Recreation Director

Attachment 1

# RESOLUTION NO. 11688

## A RESOLUTION REJECTING ALL PROPOSALS FOR THE CITY HALL CAMPUS EXTERIOR PAINT PROJECT

**WHEREAS,** the City of Folsom solicited proposals for the City Hall Campus Exterior Painting Project through PublicPurchase.com; and

**WHEREAS,** following the proposal review process, it was determined that the proposal evaluation and resulting tabulation did not accurately reflect all responsive proposals; and

**WHEREAS,** to ensure a fair, transparent, and consistent procurement process for all proposers, it is in the City's best interest to reject all proposals received and issue a new solicitation; and

**WHEREAS,** staff will repost the project and invite qualified painting contractors to submit in response to the City's posting; and

**WHEREAS,** staff recommends that the City Council reject all proposals received for the City Hall Campus Exterior Painting Project for good cause and authorize the project to be resolicited.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that all proposals received for the City Hall Campus Exterior Painting Project are hereby rejected for good cause and in the best interests of the City.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | Consent Calendar |
| **ITEM TITLE:** | Resolution No. 11689 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, Federal Project No. 5288(043) |
| **FROM:** | Public Works Department |

## RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11689 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, Federal Project No. 5288(043).

## BACKGROUND / ISSUE

The City first began work on the Empire Ranch Road interchange in 2007/2008, completing much of the preliminary design and environmental clearance using Federal funds. Work on the project was halted, though, when the City shifted its design and funding priorities to the Folsom Lake Crossing Project. In 2016, staff were informed by Caltrans that $1,295,856 in federal funds left over from the prior work on this interchange had been made available for the City's use. The City executed Program Supplement Agreement F029 with Caltrans to receive the available federal funding.

In November 2017, City Council passed and adopted Resolution No. 10039, authorizing the City Manager to execute a consultant services agreement with Drake, Haglan & Associates (now Dewberry Engineers, Inc.) to prepare the project authorization and environmental documentation for the project and for an appropriation of funds for a not-to-exceed amount of $1,308,950. The

contract with Dewberry Engineers, Inc. has undergone five amendments to date, each extending the original contract period and necessary additional project budget to complete each phase, bringing the total not-to-exceed contract amount to $1,782,081. Work associated with that agreement is ongoing, and reimbursements in the amount of $1,467,724.11 from Caltrans have been received to date.

Through a Highway Infrastructure Program (HIP) grant, funding in the amount of $1,655,404 was made available for the project design, as well as $844,596 through a Regional Surface Transportation Program (RSTP) grant.

In 2021, federal funding in the amount of $2,500,000 was made available for the project design through a grant awarded by the Sacramento Area Council of Governments. City Council passed and adopted Resolution No. 10742 on November 9, 2021, authorizing the City Manager to execute a revision to the previously executed Program Supplement Agreement.

An additional $4,000,000 has been made available for the project through Community Project Funded Congressional Directed Spending (CPFCDS) Program funds.

## POLICY / RULE

Execution of an Administering Agency-State Agreement and/or Program Supplement Agreement requires City Council approval.

## ANALYSIS

The City of Folsom is required to execute the Program Supplement Agreement with Caltrans Local Assistance to proceed with the preliminary engineering, right-of-way, environmental clearance, and design phases of the Empire Ranch Road Interchange Project. This project is eligible for reimbursement from Caltrans through the various funding sources outlined in the Program Supplement Agreement.

The City must invoice Caltrans to receive any federal or state reimbursement. Before invoicing Caltrans, the City must approve a Program Supplement Agreement for the Empire Ranch Road Interchange Project. This is a Caltrans standard form that has previously been approved by the City Attorney for other projects, including:

- Folsom Boulevard Improvements
- Historic Folsom Station Phase I Project
- Green Valley Road Widening
- Riley Street Safety Improvement Project
- Folsom Lake Crossing Phase II Safety Improvements

The Empire Ranch Road Interchange Project was included in the Fiscal Year 2026-27 Capital Improvement Plan with a total project budget of $9,282,081, utilizing the Transportation

Improvement Fund (Fund 446) and Highway 50 Interchange Capital Fund (Fund 444). The breakdown of total project grant funding is listed below:

| | |
|---|---|
| High Priority Projects Program (HPP) | $ 1,295,856 |
| Highway Infrastructure Program (HIP) | $ 1,655,404 |
| Regional Surface Transportation Program (RSTP) | $ 844,596 |
| Regional Surface Transportation Program (RSTP) | $ 2,500,000 |
| Community Project Funded Congressional Directed Spending (CPFCDS) | $ 4,000,000 |
| Total Project Grant Funding | $10,295,856 |

The total grant funding available for the project ($10,295,856) exceeds the current FY 2026–27 CIP project budget ($9,282,081). A CIP budget amendment/appropriation will be brought to City Council in a separate action if needed to align the programmed budget with total available grant allocations.

## FINANCIAL IMPACT

If the City Council adopts the resolution authorizing the City Manager to execute a program supplement agreement with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, this portion of the project process will have no direct financial impact on the City.

## ENVIRONMENTAL REVIEW

This action authorizes the City Manager to execute a Program Supplement Agreement with Caltrans for the Empire Ranch Road Interchange Project. Approval of the agreement is an administrative action and not a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5).

## ATTACHMENTS

1. Resolution No. 11689 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, Federal Project No. 5288(043)

2. Program Supplement No. F029 Rev. 2 for Federal-Aid Project No 03-5288F15, Federal Project No. 5288(043)

Submitted,

Rebecca Neves, PUBLIC WORKS DIRECTOR/CITY ENGINEER

ATTACHMENT 1

Resolution No. 11689 – A Resolution Authorizing the City Manager to Execute a Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the Empire Ranch Road Interchange Project, Project No. PW1804, Federal Project No. 5288(043)

# RESOLUTION NO. 11689

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE PROGRAM SUPPLEMENT AGREEMENT F029 REV. 2 TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS NO. 03-5288F15 WITH CALTRANS FOR THE EMPIRE RANCH ROAD INTERCHANGE PROJECT, PROJECT NO. PW1804, FEDERAL PROJECT NO. 5288(043)

**WHEREAS**, the City of Folsom desires to continue preliminary engineering, right-of-way, and environmental documentation for the freeway interchange on US Highway 50 at Empire Ranch Road (US-50/Empire Ranch Interchange); and

**WHEREAS**, the City of Folsom previously executed Master Agreement No. 03-5288 for Federal-Funded Projects with the State of California Department of Transportation in order to receive funding; and

**WHEREAS**, the City of Folsom previously executed Program Supplement Agreement F029 to Administering Agency-State Agreements for Federal-Aid Projects No. 03-5288F15 with Caltrans for Federal Project No. 5288(043) to receive $1,295,856; and

**WHEREAS**, the City of Folsom previously executed Program Supplement Agreement F029 Rev.1 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for Federal Project No. 5288(043) to receive $2,500,000; and

**WHEREAS**, the City of Folsom will execute Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans to Federal Project No. 5288(043) to receive $4,000,000; and

**WHEREAS**, funds received will be credited to the Transportation Improvement Fund (Fund 446) and the Highway 50 Interchange Capital Fund (Fund 444); 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 Program Supplement Agreement F029 Rev. 2 to Administering Agency-State Agreement for Federal-Aid Projects No. 03-5288F15 with Caltrans for the US-50 at Empire Ranch Road (Empire Ranch Road Interchange Project), Project No. PW1804, Federal Project No. 5288(043).

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

# ATTACHMENT 2

Program Supplement No. F029 Rev. 2 for Federal-Aid Project No 03-5288F15, Federal Project No. 5288(043)

**PROGRAM SUPPLEMENT NO.** F029 Rev. 2
**to**
**ADMINISTERING AGENCY-STATE AGREEMENT**
**FOR FEDERAL-AID PROJECTS NO** 03-5288F15

Adv. Project ID
0318000300

**Date:** J
**Location:** 03-SAC-50-FOL
**Project Number:** HPLULN-5288(043)
**E.A. Number:**
**Locode:** 5288

*08/11/2026 Item No.19.*

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 10/18/2016 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the Administering Agency on (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the State of any funds derived from sources noted below obligated to this PROJECT, the Administering Agency accepts and will comply with the special covenants or remarks set forth on the following pages.

**PROJECT LOCATION:** US-50 at Empire Ranch Road

**TYPE OF WORK:** Construct 4 Lane Interchange **LENGTH:** 0.0(MILES)

| Estimated Cost | Federal Funds | | Matching Funds | | |
|---|---|---|---|---|---|
| | | | LOCAL | | OTHER |
| | Z911 | $57,477.00 | | | |
| | LY10 | $1,049,480.00 | | | |
| $10,295,856.00 | Z906 | $1,176,179.00 | $0.00 | | $0.00 |
| | Z910 | $246,105.00 | | | |
| | Z920 | $35,130.00 | | | |
| | HY10 | $246,376.00 | | | |
| | Z24E | $844,596.00 | | | |
| | Z007 | $140,513.00 | | | |
| | Y230 | $2,500,000.00 | | | |
| | Y603 | $4,000,000.00 | | | |

**CITY OF FOLSOM**

**By** _____

**Title** _____

**Date** _____

**Attest** _____

**STATE OF CALIFORNIA**
**Department of Transportation**

**By** _____

**Chief, Office of Project Management Oversight**
**Division of Local Assistance**

**Date** _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

## SPECIAL COVENANTS OR REMARKS

**Accounting Officer** **Date** 06/04/2026 $10,295,856.00

1. A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.

B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).

C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.

D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.6 "Award Package" of the Local Assistance Procedures Manual.

E. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a

## SPECIAL COVENANTS OR REMARKS

"Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

F. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

G. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

## SPECIAL COVENANTS OR REMARKS

H. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at www.sam.gov.

2. A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.

B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.

C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.

D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.

E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or $40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.

F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates,

## SPECIAL COVENANTS OR REMARKS

ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and

## SPECIAL COVENANTS OR REMARKS

maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends $750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over $5,000, construction contracts over $10,000, or other contracts over $25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. In the event that construction of this project of the initial federal authorization for right of way is not started by the close of the twentieth fiscal year following the fiscal year in which the right of way is authorized, the ADMINISTERING AGENCY shall repay the Federal Highway Administration through Caltrans the sum of Federal funds paid under the terms of this agreement.

   Authorizing the ROW phase of a project as Advance Construction does not exempt the project from the provisions of 23 U.S.C. 108(a)(2), and 23 CFR 630.112(c)(1).

4. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

   During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

   Pertinent Nondiscrimination Authorities:

## SPECIAL COVENANTS OR REMARKS

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);
D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);
F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or
activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);
H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
J. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
K. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | New Business |
| **ITEM TITLE:** | Presentation of Community Survey and Civic Dialogue Results and Proposed Workplan by Change.org Representatives, and Staff Direction |
| **FROM:** | City Manager's Office |

**RECOMMENDATION / CITY COUNCIL ACTION**

Receive a report on the results of the Folsom Ideas for Change civic dialogue process, provide initial input on the proposed workplan, and authorize Change.org to reference its work with the City of Folsom in future communications and promotional materials.

**BACKGROUND / ISSUE**

The City of Folsom partnered with Change.org to gather input from residents on key community issues. This effort provides the City Council with data-informed insights from a broad cross-section of the community to inform future policy, priority, and planning decisions.

Change.org developed its nonprofit "Local Civic Dialogues" platform to help cities collect representative resident feedback. According to Change.org, the platform surfaces common priorities, identifies areas of agreement, broadens participation, and supports local decision-making.

In April 2026, the City Council directed staff to launch the process with Change.org. The initiative, Folsom Ideas for Change, focused on two primary topics: growth and infrastructure. The process included an online input phase followed by a facilitated civic dialogue with a representative group of residents.

Following the project's conclusion, Change.org delivered the community input results and a proposed workplan for next steps to help guide future City Council decisions.

**ANALYSIS**

A summary of the engagement process, participation, methodology, and findings is included in Attachment 1.

Following the civic dialogue process, Change.org reviewed the results and developed the proposed workplan, included as Attachment 2. The workplan outlines near- and longer-term recommendations based on areas of community support. Many of the recommendations align with existing City initiatives, projects, or policy discussions that are already underway or have previously been considered. Change.org has also indicated it is willing to continue supporting implementation efforts at no cost to the City.

The workplan is being presented to the City Council for initial review and input. Implementation of any recommended actions is contingent upon City Council direction, alignment with City priorities, and available funding.

In addition, as part of its previous direction, the City Council requested that the City of Folsom's name not be used in Change.org marketing or promotional materials without prior approval and until the City completed the process and was satisfied with the outcome. With the civic dialogue process now complete and staff satisfied with the results, staff seeks City Council authorization to allow Change.org to identify Folsom as a participating community and reference its work with the City in future communications and promotional materials.

## FINANCIAL IMPACT

There was no direct cost to the City to participate in the Change.org civic dialogue process. Change.org has offered to support workplan implementation projects at no charge. Financial impacts will depend on which specific recommendations are pursued, and items requiring additional funding will return to the City Council for consideration.

## ATTACHMENTS

1. Folsom Ideas for Change – Civic Dialogue Results
2. Change.org Proposed Workplan

Submitted,

Bryan Whitemyer
City Manager

Attachment 1

IDEAS for CHANGE



# FOLSOM

## Civic Dialogue Results

**Change.org and the City of Folsom teamed up to start a conversation that crossed boundaries:**

# "What would **positive change** look like in Folsom?"

Get over a thousand people to share their ideas and vote on the ideas of others.

Identify their **common interests,** despite differences on other issues.

Bring 100 people together for a conversation about those resonant issues.

Less expansion, more focus on infrastructure.

Conduct a study of E. Bidwell traffic patterns to relieve congestion. Implement traffic flow improvement.

Adjust the intersection lights along Folsom Boulevard to match the light rail trains.

In Phase 1, we received **68,123 votes** on

# 430 IDEAS

from **1,039 residents.**

ss suburban

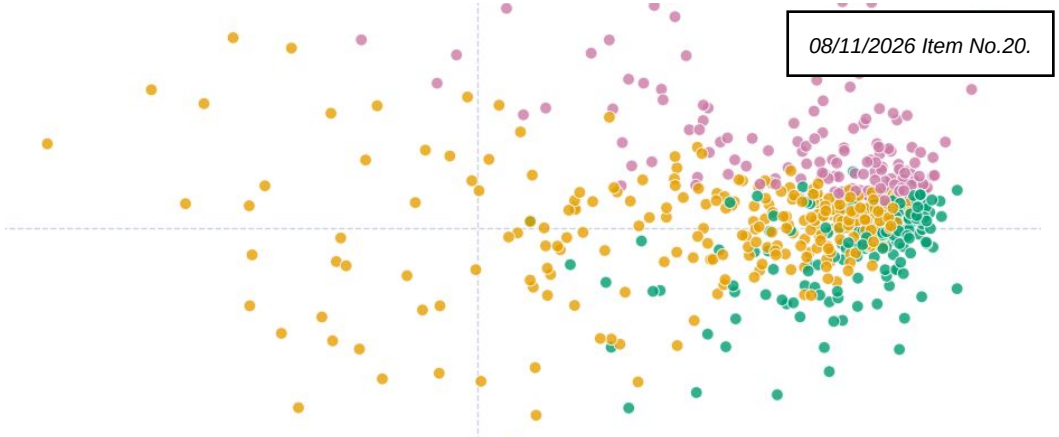
Develop lo
financial su
preserves c
Folsom res

Identify consistent, reliable and adequate funding to maintain parks, trails, roads, storm drains and open space to preserve quality of life and property values.

Don't build infrastructure unless funding for future maintenance is earmar
the budget.

Increase the developer fees to cover the actual cost of new infrastructure.

# Our analysis identified priorities with broad support across 3 opinion groups



**Civic Infrastructure Stewards**

Focus on civic infrastructure stewardship — public access, support for aging residents and unhoused neighbors, and preserving Folsom's independence.

**Balanced Growth Skeptics**

Question the city's current growth model. Push for smarter mobility — transit, walkability, traffic enforcement — and demand new development pay for itself.

**Small Town Traditionalists**

Preserve Folsom's small-town identity — strict enforcement, slower growth, fewer apartments, and infrastructure focused on existing residents rather than expansion.

# CIVIC INFRASTRUCTURE STEWARDS

The largest group, they focus on long-term civic infrastructure stewardship — public access, support for aging residents and unhoused neighbors, and preserving Folsom's institutional independence. They favor public transit investment, inclusive public spaces, and partnerships with State Parks and tribes. They strongly oppose merging away Folsom's institutions, speculative schemes for the city reserve, and stripping resident voice from city decisions.

## MAKE OR BREAK

**All new playgrounds should focus on inclusivity and accessibility for childre various disabilities i.e. ramps to play structures, pour in place instead of bark, tunnels large enough for anyone to go through, fences, etc.**



This group: 82% approve | vs Others: 64% approve | 18% gap

- Long-term funding for civic infrastructure (parks, trails, roads, storm drains)
- Investment in public transit and accessible public spaces
- Affordable housing for aging residents and shelter for unhoused neighbors
- Partnerships with State Parks, tribes, and community organizations
- Preserving Folsom's independence and voter control over city services

### SUPPORTS

| | |
|---|---|
| Develop long-term plan for financial sustainability that preserves quality of life for Folsom residents. | 99% approve |
| There needs to be a long term funding plan for the maintenance of our existing parks and trails. | 98% approve |
| Enhance the "Adopt a Trail" program to enable businesses to sponsor sections of trail through donations. | 98% approve |

### OPPOSES

| | |
|---|---|
| Annex land for a data center. | 89% oppose |
| Diversify 10–20% of the city's reserve fund into Bitcoin. | 98% oppose |
| Change the charter to let council out ices (parks, pool, zoo, waste) without voter approval. | 84% oppose |

# BALANCED GROWTH SKEPTICS

This group questions Folsom's current growth model and pushes for smarter mobility, walkability, and traffic enforcement. They favor expanded public transit, native landscaping, and removing parking minimums to reduce car dependence. They support consolidating services to reduce costs — but strongly oppose unchecked commercial development, schemes that strip resident voice, and speculative reserve-fund bets.

## MAKE OR BREAK

**Remove parking minimums (aka how many parking spots required for a bus[illegible] transportation so we don't have to be so reliant on cars.**

This group: 96% approve | vs Others: 63% approve | 33% gap

- Remove parking minimums and reduce car dependence
- Expand public transit, light rail, and walkable corridors
- Traffic enforcement (speed cameras, red light cameras)
- Consolidate city services to reduce costs (Fire dept merger)
- Native landscaping and environmental sustainability

### SUPPORTS

| | |
|---|---|
| Slow down new housing development. Maintain oak tree groves and natural green spaces. | 100% approve |
| Connect the two bike/walking trails on each side (underneath) of highway 50 along Placerville Road — only 100 yards needs to be constructed. | 100% approve |
| Identify consistent, reliable and adequate funding to maintain parks, trails, roads | 100% approve |

### OPPOSES

| | |
|---|---|
| Build an outdoor mall like the Roseville Galleria | 88% oppose |
| Diversify 10–20% of the city's reserve fund into Bitcoin. | 98% oppose |
| Build an automobile race track out pa[illegible] school. | 83% oppose |

# SMALL TOWN TRADITIONALISTS

The smallest but most distinct group, they want to preserve Folsom's small-town identity. They push for strict enforcement, slower growth, fewer apartments, and infrastructure focused on existing residents rather than expansion. They strongly oppose new public transit projects, expanded bus service, light rail on Bidwell, and SO50 development. They are skeptical of housing-density solutions and most growth-driven proposals.

## MAKE OR BREAK



**New light rail on Bidwell to relieve traffic congestion and make Folsom more [illegible] of car centric.**

This group: 4% approve | vs Others: 56% approve | 52% gap

- Reduce homeless and transient presence in old town
- Slow expansion; preserve Folsom's small-town character
- Strict code enforcement and e-bike regulations
- Skepticism of new public transit and bus expansion
- Infrastructure for existing residents, not new growth

### SUPPORTS

| | |
|---|---|
| Less expansion, more focus on infrastructure. | 96% approve |
| Enforce e-bike rules and regulations. | 95% approve |
| Decrease the amount of homeless and transient people hanging out in old town. | 100% approve |

### OPPOSES

| | |
|---|---|
| More shelter options for the 100+ growing population of unhoused citizens | 88% oppose |
| Increase affordable housing options specifically for aging adults, in proximity to services and transportation. | 83% oppose |
| New light rail on Bidwell to relieve tra[illegible]. | 96% oppose |

# Unifying Ideas

These are the ideas that were popular across all groups, regardless of other differences.*



**#1** Fix the traffic issue at E Bidwell and Hw

**(100% BRIDGING SUPPORT)**

2. Enforcement of e-bike rules and regulations. Especially around the middle schools at dismissal time. **(95%)**
3. Less expansion, more focus on infrastructure. **(93%)**
4. The trash along white rock rd is an issue. I believe it's mostly from all the construction. Can something be done about it? **(91%)**
5. Identify consistent, reliable and adequate funding to maintain parks, trails, roads, storm drains and open space to preserve quality of life and property values.**(89%)**
6. More raw nature, less endless suburban sprawl. **(89%)**
7. Code enforcement should start fining chronic offenders. **(88%)**
8. More outreach like this. It's impossible for most working families to make in person meetings to give city feedback, ignoring large portion of population. **(88%)**
9. Adjust the intersection lights along Folsom Boulevard to match the light rail trains. **(88%)**
10. Don't build infrastructure unless funding for future maintenance is earmarked in the budget. **(86%)**

*Scores reflect the minimum support across the groups; rankings account for pass/rates.

**Duplicates not included in this list.

# Resonant Issues: 1-3

*The issues that were most important to all groups*



01

**26** BRIDGING IDEAS

## Growth & Development

Slow housing growth until infrastructure catches up, make developers pay the full cost of new infrastructure

*"Less expansion, more focus on infrastructure"*

✓ 93% bridge

*"Don't build infrastructure unless funding for future maintenance is earmarked in the budget."*

✓ 86% bridge

*"Develop a list of 5 critical infrastructure projects. Since we must pay matching funds even with a grant, the city should spend NO money towards ANY project not on that list."*

✓ 73% bridge

02

**23** BRIDGING IDEAS

## Streets & Roads

Enforce e-bike rules, build missing sidewalks, complete bike-and-trail connections

*"Enforcement of e-bike rules and regulations. Especially around the middle schools at dismissal time"*

✓ 95% bridge

*"Focus selective traffic enforcement on red-light running and aggressive driving throughout the city."*

✓ 74% bridge

*"Connect the two bike/walking trails on each side (underneath) of highway 50 alongside Placerville Road. The two paths are fabulous and only 100 yards or so needs to be constructed."*

03

**20** BRIDGING IDEAS

## City Hall

Long-term financial planning, increase resident access, limit council self-dealing

*"Identify consistent, reliable and adequate funding to maintain parks, trails, roads, storm drains and open space to preserve and maintain civic infrastructure, quality of life and property values."*

✓ 89% bridge

*"City council should not vote to get their own raise. That decision should come from many-budget analysis, city manager, public, city planning, non partial committee, dept mgrs all included, but not for themselves."*

✓ 79% bridge

*"More outreach like this. It's impossible for most working families to make in person meetings to give city feedback, ignoring large portion of population."*

✓ 88% bridge

✓ % shows cross-group bridging score

# Resonant Issues: 4-6

*The issues that were most important to all groups*



04

**14** BRIDGING IDEAS

## Highway Interchanges & US-50 Access

Build interchanges and relieve the Bidwell bottleneck

*"Prioritize solving the US 50/E. Bidwell overcrossing traffic nightmare."*

✓ 87% bridge

*"Prioritize construction of the Empire Ranch Road interchange on US 50. Would relieve traffic at the E. Bidwell offramp."*

✓ 86% bridge

*"Complete Alder Creek road all the way to prairie city to alleviate traffic on bidwell."*

✓ 70% bridge

05

**12** BRIDGING IDEAS

## Parks & Recreation

Maintain parks and trees, reduce litter, fund trail rehabilitation

*"Keep all water fountains at parks working, unclogged & not leaking. Ensure each park has at least one. Many have been broken for years or leak making huge mud pits."*

✓ 78% bridge

*"More trees along walking areas. The hot summers are too much for people to enjoy being out."*

✓ 74% bridge

*"Enhance the 'Adopt a Trail' program to enable businesses to sponsor sections of trail through donations, which would be used for trail repairs and improvement projects."*

✓ bridge

06

**6** BRIDGING IDEAS

## Public Safety

Strengthen code enforcement, develop a long term funding plan for police and fire, reduce loitering

*"Decrease the amount of homeless and transient people hanging out in old town. It's become too much. They are sleeping all over the area and loitering into our neighborhoods."*

✓ 82% bridge

*"Code enforcement should start fining chronic offenders."*

✓ 88% bridge

*"Enforcing the law/codes to maintain quality of life. Code enforcement should actually enforce violations."*

✓ 71% bridge

✓ % shows cross-group bridging score

## Of everything we heard,

# Growth & Infrastructure

## emerged as the topic to talk about in the dialogue.

**RELEVANT**
Residents consistently engaged with this topic. Growth and infrastructure resonated strongly across all three opinion groups — making it the central question for Folsom's future.

**ACTIONABLE**
Permitting policy, developer agreements, infrastructure maintenance budgets, and zoning are core municipal levers the city can act on.

**COMPLEX**
Real trade-offs exist between accepting housing growth, requiring developers to fund their own infrastructure, preserving small-town character, and maintaining long-term financial health. Residents broadly agree the issue matters but disagree about

# Running the Civic Dialogue

**On June 24, 2026, 168 Folsom residents came together on Zoom** to discuss policies the city should consider to address growth and infrastructure. Change.org specifically recruited a group that reflected the city in terms of age, sex, race, and political leaning.

**The set of policy options they discussed was determined through research and conversations with practitioners.** Participants were provided briefing material to ensure a more informed discussion.

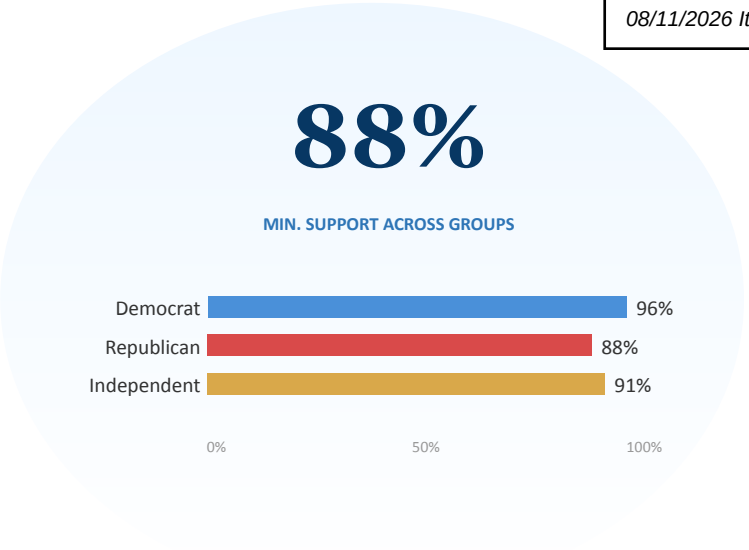
**Discussions were held primarily within small groups of 5-8 residents,** over the course of three focused breakout sessions. Each session was focused on a different aspect of Folsom's growth and infrastructure. Residents were compensated for the time spent to participate in the surveys & dialogue.

## UNDERSTANDING THE

# Bridging Score

**Update the fee schedule toward full cost recovery**

After the Dialogue, we polled all participants on **specific policy positions** related to addressing growth and infrastructure derived from research on the topic.




We found the share of Democrats, Republicans, and Independents who supported each statement, then used the lowest of those as the "bridging score." **This way, we identify policies that all groups significantly support.**

# Principles to Guide Growth and Infrastructure Deci



*High-level directions the dialogue tested, shown with their bridge score (minimum support among political leanings)*

| | | | |
|---|---|---|---|
| **New growth must pay its own full lifetime cost** | Ensure new development comes with guaranteed revenue covering its full lifetime infrastructure, maintenance, and service costs. | **96%** | D 96<br>R 100<br>I 97 |
| **Attract the amenities residents want — the right way** | Attract the restaurants, shops, and services residents want, prioritizing infill over sprawl — with each project showing it covers the costs it creates. | **91%** | D 100<br>R 95<br>I 91 |
| **Spend more now to catch up on the backlog** | Spend more to catch up on the maintenance backlog already owed, because deferred repairs only get more expensive. | **80%** | D 89<br>R 80<br>I 82 |
| **New revenue — but only after an audit proves the gap** | Pair any new revenue with a binding precondition: an independent budget audit and line-item dashboard published first. | **73%** | D 85<br>R 73<br>I 85 |
| **Short-term debt for urgent repairs** | Where a repair is urgent and delaying it would cost far mo mited, short-term debt to fix | **53%** | D 53<br>R 54<br>I 56 |

# Policy Recommendations for Growth & Infrastructu



All Policy Recommendations shown alongside their bridge score: the minimum support across all groups

## Prioritizing Investment

| | |
|---|---|
| Published infrastructure priority stack | 88% |
| Published road repaving schedule | 74% |
| Minimum maintenance budget | 73% |
| Facility Condition Assessment + dashboard | 70% |

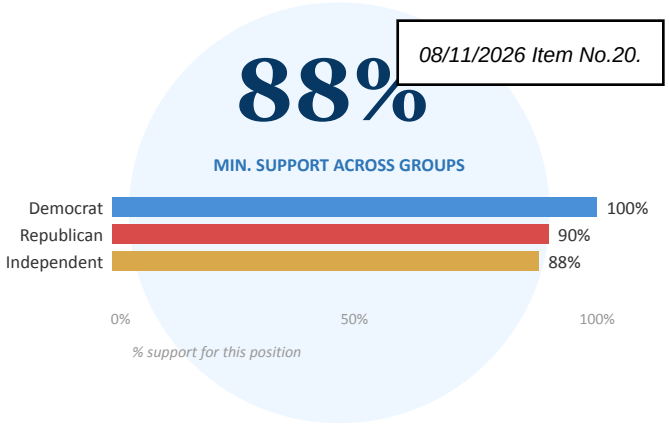
## Growth Covering Its Costs

| | |
|---|---|
| Update fee schedule to full cost recovery | 88% |
| Long-horizon cost projections at approval | 85% |
| Services-tier on new CFDs | 85% |
| Inventory underused, already-served land | 74% |
| Tie housing approvals to commercial | 68% |

## Revenue for Infrastructure

| | |
|---|---|
| Local small-business retention strategy | 79% |
| Public-private partnerships & sponsorships | 74% |
| Raise hotel tax (8% → 10–12%) | 71% |
| Half-cent (0.5%) sales tax | 68% |
| Targeted econ-development incentives | 68% |

# #1 Publish the infrastructure priority stack




Publish the ranked list and methodology city staff already use to weigh competing maintenance and capital projects — life-safety risk, asset condition, service disruption, and cost — not just which projects get funded.

## Why Folsom residents support this:

*"What I'm looking for is a prioritized list, effectively a Pareto that says what the items are. Here's the most common, all the way down to the least common. And also an impact analysis that says, what happens if I get this done? What happens if I don't get this done? And what is the cost?"*

**— Male, age 65+ (Republican)**

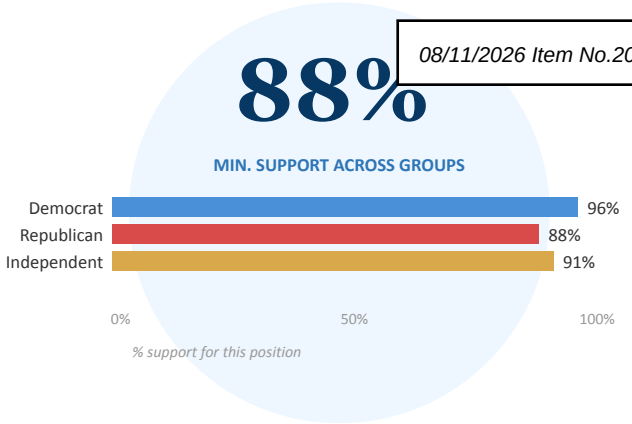
*If you have this one list, it's prioritized — the impact, the costs, the trade-offs — you understand how you're spending money."*

**— Male, age 65+ (Republican)**

*"The average resident needs that transparency, because most people don't know where the money is going. That third option would lay it out in a way that's pretty easy to read."*

**— Male, age 18-24 (Democrat)**

# #2 Update fee schedule toward full cost recovery




Make sure development and permit fees actually cover what the service costs the city, so existing residents stop subsidizing developers and applicants — never charging more than the documented cost of providing the service.

## Why Folsom residents support this:

*"Does kind of strike me as odd that the permit fees for development don't cover the cost of doing the permitting. That seems a little strange. I mean, it doesn't need to be like a profit-making business, but it does seem like the city should be recouping its losses at least."*

**— Female, age 25-39 (Democrat)**

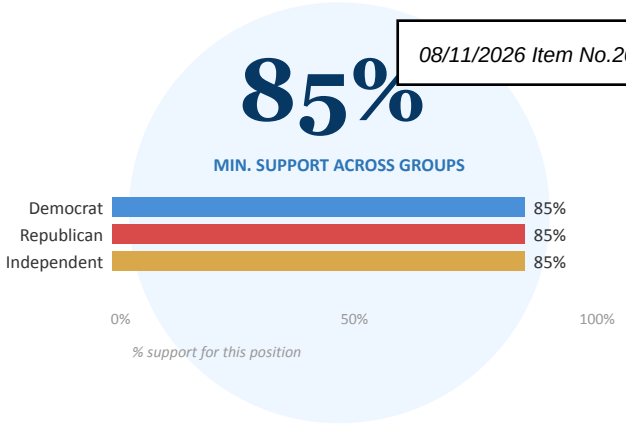
*"I've worked in public service and passed ordinances before, and I've always made sure they're net neutral, where the permit fees cover the cost of inspectors and whatever staff need to go do the work. So I think it's very realistic, and there's precedent that that happens elsewhere."*

**— Female, age 25-39 (Democrat)**

*"If we're not recovering the full cost of whatever this fee is providing, then that fee needs to go up."*

**— Male, age 65+ (Democrat)**

# #3 Require long-horizon cost projections at approval




Before the council approves any major new project, require a written 20–30 year forecast of what it will cost the city to operate, maintain, and eventually replace what is built — with a longer horizon for water and sewer.

## Why Folsom residents support this:

*"I was looking at this option that I like, which is really good cost projections on the maintenance on different projects."*

**— Female, age 65+ (Democrat)**

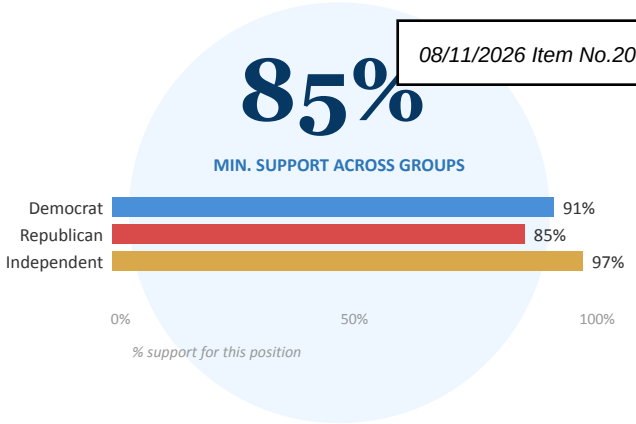
*"If they hadn't done a 20-to-30-year cost projection before approval for any new builds — that seems very obvious."*

**— Female, age 25-39 (Democrat)**

*"Requiring those projections would prevent the backlog from growing and keep it more manageable."*

**— Male, age 40-65 (Republican)**

# #4 Services-tier on new Community Facilities Districts




Make it the default in the development-agreement template that every developer-built park, trail, or landscaped median comes with a dedicated annual funding source to maintain it — so the city does not inherit the maintenance bill unfunded.

## Why Folsom residents support this:

*"New developers, they have the agreement — it doesn't help with the maintenance, but at least it would help going forward. That they build that in as part of their development, that they fund their own annual maintenance funding for whatever parks or trails or whatnot go into that area."*

**— Female, age 40-65 (Democrat)**

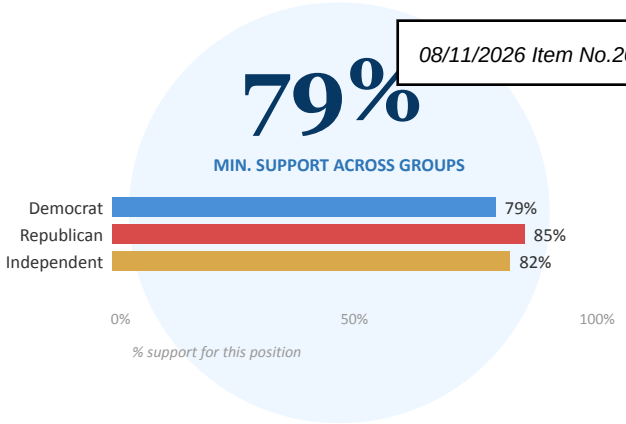
*"I like that one. I think it makes sense to me that a developer would have their own maintenance funding, so the city doesn't have to pay for it."*

**— Female, age 40-65 (Democrat)**

*"It's like, if they're going to build it, it needs to be built into the plan that it's going to be maintained, so that further backlog doesn't happen."*

**— Female, age 40-65 (Independent)**

# #5 Adopt a local small-business retention strategy




Reduce permitting barriers, create a small-business incubator program, and offer targeted incentives in key districts — to keep locally owned businesses open, grow the sales-tax base, and strengthen the community.

## Why Folsom residents support this:

*"Small business retention is like community character retention."*

**— Male, age 40-65 (Republican)**

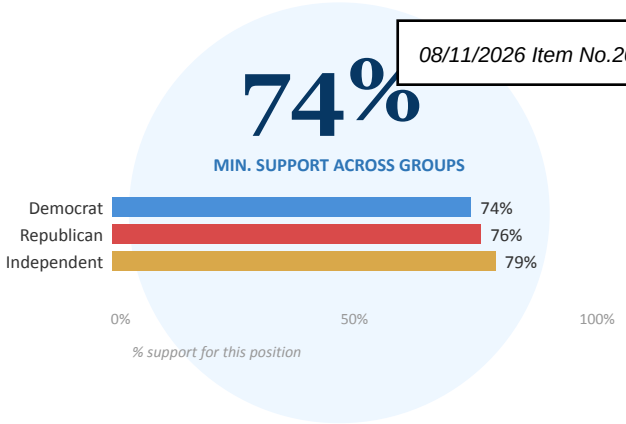
*"I like the small business retention. Even though it won't have a yield, I do think it's important to invest in small businesses and make sure corporations aren't edging them out."*

**— Female, age 25-39 (Democrat)**

*"The only reason I support that is because when I think about going to shop in old Folsom or the Palladio, it actually does influence whether or not I go — when I see a bunch of shops open or not."*

**— Female, age 40-65 (Republican)**

# #6 Publish a road repaving schedule




Publish a multi-year, street-by-street pavement repair calendar tied to engineering condition data, so any resident can look up their street and see when it is scheduled.

## Why Folsom residents support this:

*"The road repaving schedule is the easiest one the city can do. It's not costly, and it's easy to maintain the roads. That will save a lot in terms of car maintenance and people's lives. It's the lowest cost and the highest benefit for the city."*

**— Male, age 40-65 (Democrat)**

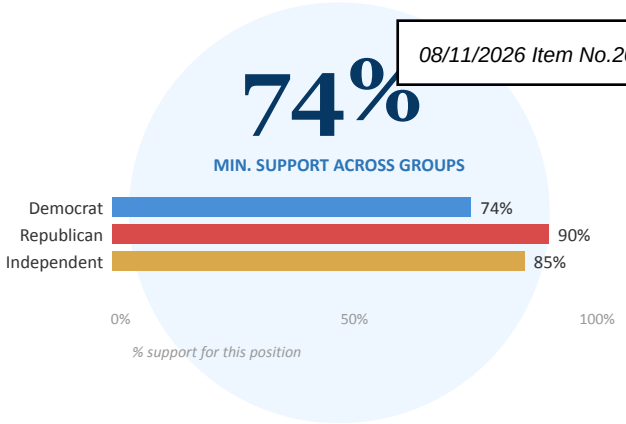
*"I agree that publishing the schedule is the easiest thing to do. And I think it makes sense, so people know when their street is going to be repaved and they don't keep asking or feel in the dark."*

**— Male, age 40-65 (Independent)**

*"I'd like to see a schedule of what they're going to fix and when."*

**— Female, age 40-65 (Democrat)**

# #7 Take inventory of underused land Folsom already has




Take inventory of underused, already-served land to identify where commercial uses could be added — generating tax revenue without new sprawl.

## Why Folsom residents support this:

*"I would go back to the commercial discussion, with the land that we own, because there's a lot of good high-tech companies in the city, in the Bay Area, and in LA that are looking for room to expand."*

**— Male, age 40-65 (Independent)**

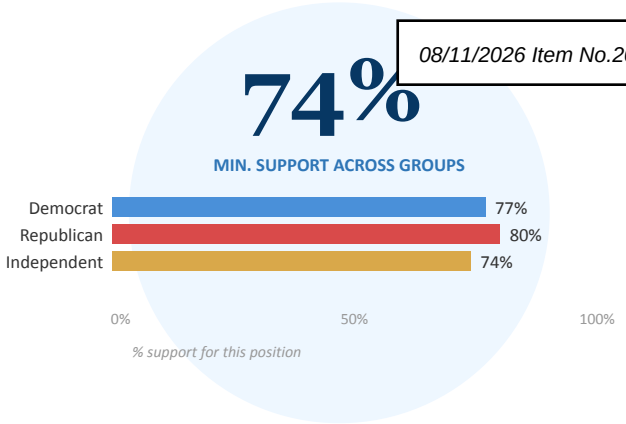
*"I think it'd be good to develop underused land if it's an eyesore — if it would look better to have businesses there."*

**— Female, age 40-65 (Independent)**

*"I'd love to see the whole Intel campus get revitalized, and other underused land put to better use."*

**— Male, age 25-39 (Independent)**

# #8 Public-private partnerships and corporate sponsorships




Launch a formal sponsorship and naming-rights program for parks, trails, courts, and facilities to help fund maintenance — with no vote and no new tax.

## Why Folsom residents support this:

*"I personally would be totally fine if some companies wanted to sponsor parks and have naming rights — as long as it's done tastefully."*

**— Male, age 25-39 (Democrat)**

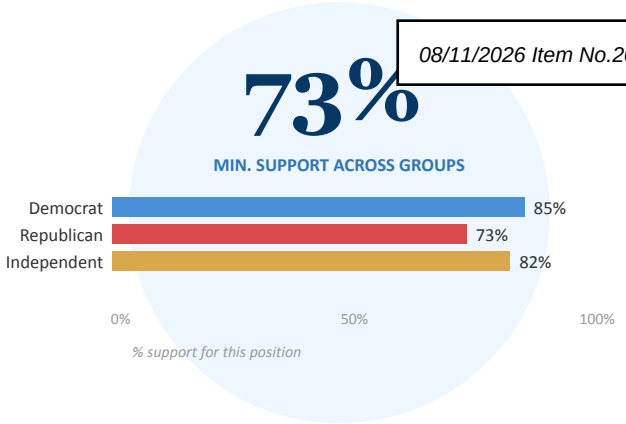
*"I'm all for the sponsorship and naming rights. I think all the political people ought to be removed from the names of the parks and let it go to sponsorships."*

**— Male, age 65+ (Republican)**

*"I'm thinking, for sure, sponsorship and naming rights is something I would want for parks and trails and potentially facilities."*

**— Female, age 40-65 (Republican)**

# #9 Adopt a minimum maintenance budget




Adopt a formal council resolution guaranteeing a minimum maintenance budget every year — a fixed reinvestment floor (about 2% of the city's asset value) phased in over time, to keep infrastructure in sufficiently good condition.

## Why Folsom residents support this:

*"I kind of like that idea. It's kind of separate from all the other issues, just because it establishes a floor — and then maybe that puts enough pressure on the whole system that when they deal with the budget each year, they have to actually start solving some of these problems."*

**— Male, age 65+ (Democrat)**

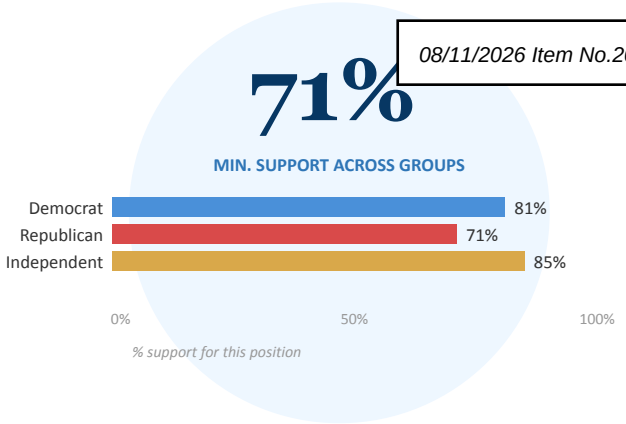
*"I think it would also outline the fact that we need a minimum maintenance budget in the first place. People would see all this information and then see — oh, we actually need to allocate this money over time to keep reinvesting in what we've already built."*

**— Male, age 18-24 (Democrat)**

*"The audit and the minimum maintenance budget — those two options stood out as the most helpful to get that trust back, for residents to understand where the money's going."*

**— Female, age 40-65 (Democrat)**

# #10 Raise the transient occupancy (hotel) tax




Raise the existing hotel tax from 8% to 10–12% and tighten enforcement — an added $1–3.65M annually, paid largely by visitors rather than residents.

## Why Folsom residents support this:

*"I'm fully on board with that. It'll generate a lot of revenue, especially with how popular Folsom hotels are."*

**— Male, age 18-24 (Democrat)**

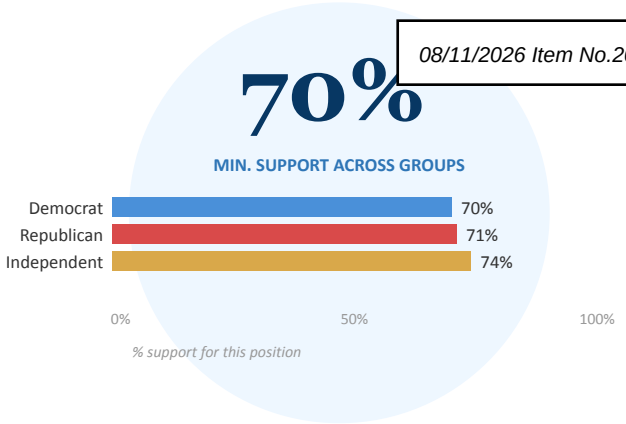
*"The hotel tax is paid by visitors, not by us — so do a little more on the hotel side."*

**— Male, age 40-65 (Republican)**

*"Definitely they could go from 8 to 10% to bring in a little bit more revenue. It wouldn't hurt."*

**— Female, age 40-65 (Republican)**

# #11 Publish a Facility Condition Assessment + dashboard




Commission a formal engineering inventory of every city-owned building, park, street, trail, bridge, and storm drain — rated good/fair/poor with replacement costs and timelines — published on a public website residents can look up.

## Why Folsom residents support this:

*"What I really like is that I know they've done some assessments, but it seems like they really need to do an assessment of everything — what the replacement costs truly are — so that people can understand that, and what the timelines could be, and then put it somewhere where we can all see it, like on the website."*

**— Female, age 65+ (Democrat)**

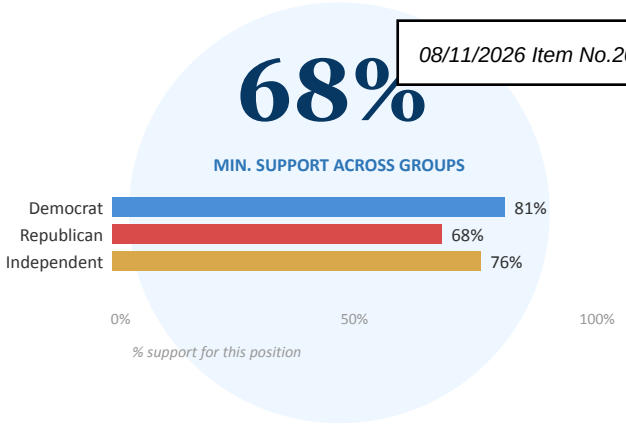
*"I think it's a really good idea to have the assessment performed. I know it's going to cost a little more money just to have it, but having an actual professional independently come in and assess everything would be a much better goal — everything basically mapped out and detailed, so everybody can know what exactly is needed."*

**— Female, age 25-39 (Democrat)**

*"I think this could be a rare example of spending money that could save money in the future. Because if you can identify issues before they become big and expensive to repair, it might end up paying for itself."*

**— Male, age 40-65 (Republican)**

# #12 Tie residential approvals to commercial milestones




Require developers to deliver the promised commercial and jobs first, before later housing phases are approved, so Folsom gets the revenue-generating side of growth.

## Why Folsom residents support this:

*"If you do it in a pragmatic fashion, like what we talked about — you put the business or the retail before you start working on the residential, so that you've got some form of revenue you're guaranteed to bring in."*

**— Male, age 65+ (Republican)**

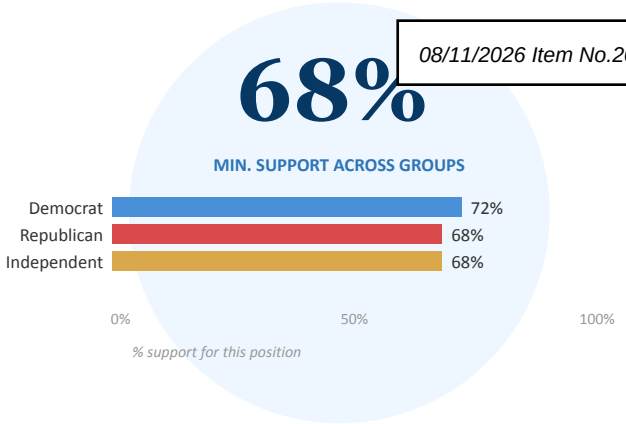
*"I agree we need to kind of push back and say no. We need to require these developers to commit to this first."*

**— Female, age 40-65 (Republican)**

*"I kind of like the option that says tie housing phases to commercial jobs delivery."*

**— Female, age 40-65 (Republican)**

# #13 A half-cent (0.5%) sales tax




A half-cent sales tax with named projects, citizens' oversight, and published audits — so visitors and outside shoppers help pay for the maintenance backlog, not just Folsom homeowners (about $14M annually).

## Why Folsom residents support this:

*"If it had a half-cent sales tax with a 5- or 10-year sunset clause, I think people could get behind that just to clean up the backlog and park maintenance."*

**— Male, age 65+ (Republican)**

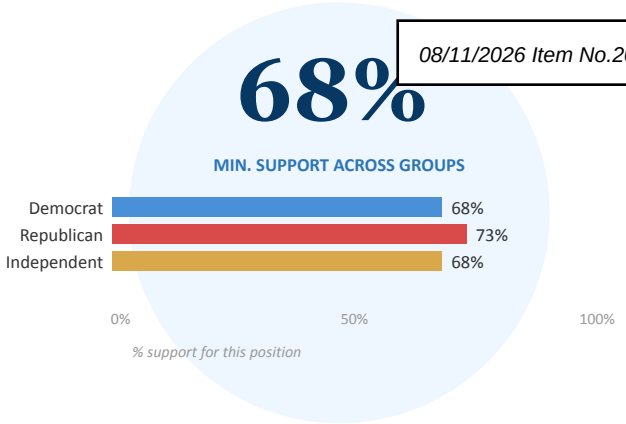
*"I don't like to pay more taxes, but if that's going to actually go towards something beneficial, then I'd consider voting for it."*

**— Male, age 25-39 (Democrat)**

*"A more successful approach might be a time-limited half-cent sales tax for about 10 years, so they can figure out how to pay for those looming maintenance issues."*

**— Female, age 65+ (Democrat)**

# #14 Targeted economic development incentives




Use fee credits, expedited permitting, or infrastructure commitments to attract commercial and employment uses on already-served land — which generate tax revenue without new roads or utilities.

## Why Folsom residents support this:

*"It's been working really well in the city of Rancho. I have several friends who do business there, and they said Rancho is very business-friendly. Wish Folsom would think like that too. I think that could help."*

**— Female, age 40-65 (Independent)**

*"I think we ought to really work with a team of people to go out and recruit some of those businesses to take a look at building in Folsom, because that's going to be a money-maker."*

**— Male, age 40-65 (Independent)**

*"I think that's a potential way we could expand — making it more friendly to businesses and then growing that revenue, too."*

**— Female, age 25-39 (Democrat)**

## TRADE-OFFS — WHERE TO SPEND FIRST

**Folsom can't fund every infrastructure need at once. Residents ranked these from the city's highest to lowest priority.**

**#1** RANKED PRIORITY

**Replacin and sew**

| Ranked by priority for each group (1st = top priority) | | Overall | Dem | Rep | Ind |
|---|---|---|---|---|---|
| 1 | Replacing aging water and sewer lines | 1st | 1st | 1st | 2nd |
| 2 | Keeping parks, trails, and recreation facilities in operation | 2nd | 2nd | 2nd | 1st |
| 3 | Resurfacing and pothole repair on existing neighborhood roads | 3rd | 3rd | 3rd | 3rd |
| 4 | The U.S. 50 / Empire Ranch Road interchange | 4th | 4th | 4th | 5th |
| 5 | Traffic / congestion improvements on existing corridors | 5th | 5th | 5th | 4th |
| 6 | The Oak Avenue overcrossing on US-50 | 6th | 7th | 6th | 7th |
| 7 | Sidewalk and ADA accessibility repairs | 7th | 6th | 7th | 6th |

## TRADE-OFFS — THE NEXT DOLLAR

**If the city secures $1 million in new annual revenue, residents ranked these uses from most to least important.**

**#1**
RANKED PRIORITY

**Catching up on deferred maintenance of existing parks, trails, roads, and facilities**

| Ranked by priority for each group (1st = top priority) | | Overall | Dem | Rep | Ind |
|---|---|---|---|---|---|
| 1 | Catching up on deferred maintenance of existing parks, trails, roads, and facilities | 1st | 1st | 1st | 1st |
| 2 | Building new road and traffic infrastructure growth requires (e.g. the Empire Ranch interchange) | 2nd | 2nd | 2nd | 2nd |
| 3 | Restoring operating services cut recently (such as Engine 38) | 3rd | 3rd | 3rd | 3rd |
| 4 | Strengthening operating reserves (now at 20%, about $25M) | 4th | 4th | 4th | 4th |

## Now that we're done,

# What's Next?

- We've already shared these results with Mayor Raithel and team, who will be using this information to inform his priorities for growth and infrastructure for the city.
- The data from both phases – all of the ideas, votes from Phase 1 plus recommendations from the Civic Dialogue – will be available at www.ideasforchange.org/folsom.

# Thank you!

To Mayor Raithel, his office, all our community partners, and every person who shared their ideas and enthusiasm throughout this process.

If you have any questions, reach out at info@ideasforchange.org.

Attachment 2

# Folsom Growth & Infrastructure — Proposed Workplan

*Prepared by Change.org from the June civic dialogue (168 residents) and the follow-up review with Mayor Raithel and City Manager Whitemyer. This lays out the policies with the strongest community support, how we'd prioritize them, and how we propose supporting the city on each.*

## How we propose working with you

Think of us as seconded staff — a supporting agency to the city's infrastructure and fiscal-sustainability work. We're here to take work off your plate, not to drive decisions or represent the city. Concretely that looks like:

- **Research:** peer cities, precedent ordinances, and what has worked elsewhere
- **Policy writing:** draft ordinances, model language, and evidence pieces for staff and council
- **Coalition building:** helping line up the support a policy needs to move, where that's useful

## How we prioritized

We stack-ranked the policies with resident consensus against three criteria. The city's authority to implement and pace lead the ranking; materiality breaks ties. The order sequences the most implementable, near-term measures first, then works through the remainder.

| Criterion | The question | How we read it |
|---|---|---|
| City's authority to implement | Does the city have the authority to act on its own? | How directly the city can implement without relying on a third party. Policies within the city's sole authority, with a clear vehicle, rank higher than those requiring an outside partner, the legislature, or a ballot. |
| Pace | How quickly can it be implemented? | How soon the policy can reach implementation. Measures already in motion or needing only near-term research rank higher than those needing a ballot, a fee study, or a multi-year build. |
| Materiality | How much impact would it have? | How much the policy would move Folsom's fiscal sustainability and maintenance condition. Targeted, lower-cost fixes still rank when they are fast and clean, with greater weight to the higher-impact levers. |

## Priority 1: Provide support on implementation

| Policy | Bridge / support by group / criteria | How it gets done (vehicle) | How Change.org would support this |
|---|---|---|---|
| **1. Publish the infrastructure priority stack**<br>Publish the ranked list and methodology staff already use to weigh competing maintenance and capital projects (life-safety risk, asset condition, service disruption, cost) — not just which projects get funded. | **88% bridge**<br>Dem 100% Rep 90% Ind 88%<br><br>**Authority:** High<br>**Pace:** High<br>**Materiality:** Med | **Administrative**<br>Staff publish the existing ranked list and criteria; no ordinance or vote required. | • Provide peer examples of published capital-prioritization criteria to benchmark against, including examples of criteria for rating different types of assets<br>• Draft the methodology write-up and backup documentation the city flagged as the remaining gap<br>• Prototype the published format, adapting a peer model to Folsom's existing ranked list<br>• Support information sharing end of 2026 / early 2027<br>• Benchmark how Folsom's maintenance investment compares to other cities with similar infrastructure |
| **2. Publish the road repaving schedule** | **74% bridge**<br>Dem 74% Rep 76% Ind 79% | **Administrative** | • Provide peer examples of published road repaving schedules |

| Policy | Bridge / support by group / criteria | How it gets done (vehicle) | How Change.org would support this |
|---|---|---|---|
| A multi-year, street-by-street pavement calendar tied to engineering condition data, so any resident can look up their street and see when it is scheduled. | **Authority:** High<br>**Pace:** High<br>**Materiality:** Med | Staff publish the pavement-management schedule; already under way. | • Draft the resident-facing lookup format so any resident can find their street, adapting a peer model to Folsom |
| **3. Adopt a local small-business retention strategy**<br>Reduce permitting barriers, create a small-business incubator, and offer targeted incentives in key districts — to keep locally owned businesses open, grow the sales-tax base, and strengthen the community. | **79% bridge**<br>Dem 79% Rep 85% Ind 82%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** Med | **Administrative / economic-development program**<br>Staff-run program; council appropriation if incentives are funded. | • Research small-business retention and incubator models and their sales-tax payback<br>• Draft a proposal for the City for small-business retention, building on data on what works |
| **4. Public-private partnerships and corporate sponsorships**<br>A formal sponsorship and naming-rights program for parks, trails, courts, and facilities — funding maintenance with no vote and no new tax. | **74% bridge**<br>Dem 77% Rep 80% Ind 74%<br><br>**Authority:** High<br>**Pace:** High<br>**Materiality:** Low | **Administrative / council sponsorship policy**<br>Staff run it under a council-adopted sponsorship/naming-rights policy. | • Identify best practices and indicative rates for similar naming rights / sponsorship programs<br>• Draft a model council sponsorship and naming-rights policy adapted from peer cities for staff to tailor |
| **5. Targeted economic-development incentives**<br>Fee credits, expedited permitting, or infrastructure commitments to attract commercial and employment uses on already-served land — revenue without new roads or utilities. | **68% bridge**<br>Dem 68% Rep 73% Ind 68%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** Med | **Administrative + council agreements**<br>Staff-negotiated agreements (e.g., sales-tax sharing); council approves specific deals. | • Research options for incentives and their relative efficacy and suitability for Folsom<br>• Research the net fiscal return of peer sales-tax-sharing agreements and fee-credit structures<br>• Draft a proposal for the City for a mix of options to implement |

## Priority 2: Revisit in three months

| Policy | Bridge / support by group / criteria | How it gets done (vehicle) | How Change.org would support this |
|---|---|---|---|
| **6. Services-tier on new Community Facilities Districts**<br>Make it the default in the development-agreement template that every developer-built park, trail, or landscaped median comes with a dedicated annual maintenance funding source, so the city doesn't inherit the bill unfunded. | **85% bridge**<br>Dem 91% Rep 85% Ind 97%<br><br>**Authority:** High<br>**Pace:** High<br>**Materiality:** High | **Administrative / development-agreement template**<br>Staff embed the services tier in the standard development-agreement template. | • Create a rationale for future negotiators<br>• Create a comparison of how peer development-agreements structure the dedicated maintenance funding source<br>• Draft model services-tier language for the development-agreement template, adapted from peer agreements |
| **7. Update fee schedule toward full cost recovery**<br>Ensure development and permit fees cover what the service actually costs the city, so | **88% bridge**<br>Dem 96% Rep 88% Ind 91% | **Fee study + council fee resolution** | • Compile peer cost-of-service study scopes and cost ranges from comparable cities to provide a realistic benchmark<br>• Based on those results, prepare a memo justifying investment in a new cost-of-service study |

| Policy | Bridge / support by group / criteria | How it gets done (vehicle) | How Change.org would support this |
|---|---|---|---|
| existing residents stop subsidizing applicants — never charging more than the documented cost of service. | **Authority:** High<br>**Pace:** Med<br>**Materiality:** High | A cost-of-service (nexus) study, then a council fee resolution. | • Draft the staff report and consultant RFP scope to commission the study<br>• Draft a model council resolution for a cost-of-service nexus study<br>• Draft a model council resolution for fee changes |
| **8. Take inventory of underused land Folsom already has**<br>Identify where commercial uses could be added on already-served land, generating tax revenue without new sprawl. | **74% bridge**<br>Dem 74% Rep 90% Ind 85%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** Med | **Administrative**<br>Staff (with GIS) compile the inventory; no ordinance required. | • Research options for converting idle parcels to revenue uses<br>• Prototype a first-pass GIS inventory from public parcel and zoning data as a starting point staff can validate and refine<br>• Provide peer criteria for classifying “underused” land (e.g., improvement-to-land value ratios, vacancy, service coverage) |
| **9. Facility Condition Assessment + public dashboard**<br>A formal engineering inventory of every city-owned building, park, street, trail, bridge, and storm drain — rated good/fair/poor with replacement costs and timelines — published on a public site residents can look up. | **70% bridge**<br>Dem 70% Rep 71% Ind 74%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** High | **Budget appropriation + procurement**<br>Council appropriation to commission the assessment, then build the public dashboard. | • Scope a tiered option: informal staff assessment first, formal engineering inventory where it matters most, to address the cost-vs-value concern<br>• Research peer FCA costs and dashboard builds for a realistic budget range<br>• Prototype a public dashboard mock-up from existing city asset data to make the end product concrete before any appropriation |
| **10. Half-cent (0.5%) sales tax**<br>With named projects, citizens' oversight, and published audits, so visitors and outside shoppers help pay for the backlog, not just Folsom homeowners (~$14M/yr). | **68% bridge**<br>Dem 72% Rep 68% Ind 68%<br><br>**Authority:** Med (council can place; voters decide)<br>**Pace:** Low<br>**Materiality:** High | **Ballot measure**<br>Council places it; a general (unrestricted) tax needs a simple majority, a dedicated (special) tax two-thirds. | • Model options for structure (sunset, oversight, general vs. special) and the majority-vs-two-thirds trade-off<br>• Research what moved comparable measures from loss to passage<br>• Down the road: Prepare a plain-language "what changed since Measure G" evidence brief<br>• Draft the full ordinance/measure package — half-cent rate, sunset clause, citizens’ oversight board, published audits — as a ready-to-review starting point |

## Priority 3: Reassess in six months

| Policy | Bridge / support by group / criteria | How it gets done (vehicle) | How Change.org would support this |
|---|---|---|---|
| **11. Require long-horizon cost projections at approval**<br>Before council approves a major new project, require a written 20–30-year forecast of operating, maintenance, and replacement cost (longer for water and sewer). | **85% bridge**<br>Dem 85% Rep 85% Ind 85%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** High | **Council policy / resolution**<br>A council-adopted policy amending the project-approval checklist. | • Research peer examples of lifecycle-cost-at-approval policies and their templates<br>• Create a model resolution amending the project-approval checklist<br>• Create a fill-in forecast template |

| | | | |
|---|---|---|---|
| **12. Minimum maintenance budget (reinvestment floor)**<br>A council resolution guaranteeing a minimum annual maintenance budget — a fixed reinvestment floor (~2% of asset value) phased in over time. | **73% bridge**<br>Dem 85% Rep 73% Ind 82%<br><br>**Authority:** High<br>**Pace:** Med<br>**Materiality:** High | **Council resolution**<br>A council-adopted resolution setting the floor; phased in. | • Research peer floors including downturn off-<br>• Create a model resolution with an economic-hardship suspension clause |
| **13. Raise the transient occupancy tax from 8% to 10–12%**<br>And tighten enforcement (~$1–3.65M/yr). Incidence falls mostly on visitors. | **71% bridge**<br>Dem 81% Rep 71% Ind 85%<br><br>**Authority:** Low (near-term)<br>**Pace:** Low<br>**Materiality:** Med | **Ballot measure**<br>General TOT needs a simple majority; dedicated needs two-thirds. | • Create a revenue model timed to the TBID expiry (~6 years out); and a brief on how a TOT increase would sit alongside the existing TBID commitment |

## Appendix: policies that did not reach consensus

These came up in the dialogue but fell below the 60% bridge threshold, so they are not part of the proposed next steps.

- **Put genuinely dormant, unused city land to work (sale / long-term lease) — 53% bridge**
- **Pursue revenue-positive annexation — 44% bridge**
- **Independent line-by-line budget audit — 44% bridge**
- **Full-cent (1%) sales tax (~$29M/yr) — 41% bridge**
- **Parks and maintenance fixed fee per property ($100–$300) — 38% bridge**
- **Property transfer tax (0.5–0.75%, ~$3.5–5.25M/yr) — 37% bridge**
- **Stormwater study + dedicated drainage charge ($2–5M/yr) — 35% bridge**
- **Citywide maintenance-and-services CFD (~$500–700/yr median home) — 24% bridge**
- **Time-limited General Obligation bond (~$247/yr on an $800K home) — 28% bridge**

In addition, tie residential approvals to commercial/employment milestones reached 68% bridge, but as it is unlikely to be successful given development risk, it was held rather than actioned.

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | New Business |
| **SUBJECT:** | City of Folsom Community Facilities District No. 22A (Folsom Heights) |
| **FROM:** | Finance Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

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

Resolution No. 11679- A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 22A (Folsom Heights)," Designate Separate Improvement Areas Therein and Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes therein

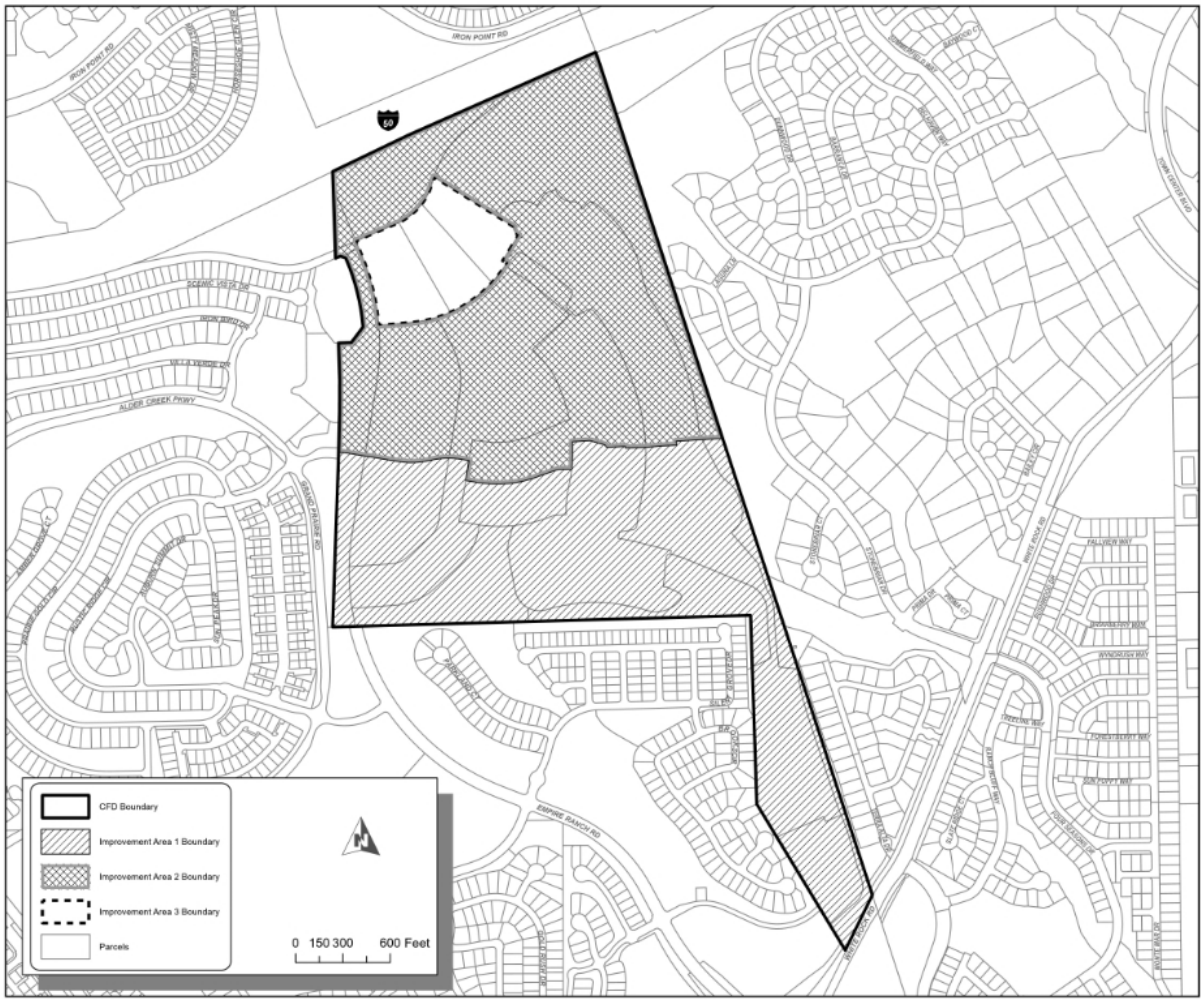
Resolution No. 11680 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights) and in and for two Improvement Areas Designated therein and Calling for a Public Hearing thereon

**BACKGROUND / ISSUE**

The Folsom Plan Area Specific Plan Public Facilities Financing Plan ("PFFP"), approved by the City Council on January 28, 2014 via Resolution 9298, is an $877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area ("FPA"). In 2018, at the request of the landowners, City of Folsom Community Facilities District No. 22 (Folsom Heights) ("CFD No. 22") was formed and special tax

revenues generated from CFD No. 22 would have helped fund all or a portion of the project's share of PFFP backbone infrastructure and facilities. Now, at the request of the landowners, CFD No. 22 will be terminated in connection with this formation and replaced by CFD 22A.

Landowners within the FPA requested to form the proposed City of Folsom Community Facilities District No. 22A (Folsom Heights) ("CFD No. 22A"), including three separate Improvement Areas ("IA"), designated as Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3. A boundary map showing the proposed CFD 22A and the three separate improvement areas is below and included as Attachment 3.




Special tax revenues generated from each IA within CFD No. 22A will help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities. A detailed list of authorized facilities can be found under Exhibit A of Resolution No.11679. A summary of the facilities authorized to be funded by CFD No. 22A include, but are not limited to:

- Transportation Improvements including all public roadway improvement designed to meet the needs of development within CFD No. 22A, including internal subdivision streets and related underground utilities.

- Water System Improvements
- Recycled Water System Improvements
- Drainage System Improvements
- Wastewater System Improvements
- Park, Parkway and Open Space Improvements
- Specific Plan Infrastructure Fee Infrastructure
- Other Incidental Expenses and Bond Issuance Costs

In addition, the following project-specific services are anticipated to be funded by CFD No. 22A special taxes:

- Open space maintenance
- Landscape corridors and paseos
- Street light maintenance
- Medians, entries and entry monumentation
- Neighborhood park maintenance, repair and replacement
- Community amenities
- Storm water management
- Other miscellaneous costs related to any of the items described above
- Anticipated future repairs or replacements costs.
- Public Services for Police, Fire and other emergency services

The proposed CFD No. 22A is located within the FPA and is generally bounded by U.S. Highway 50 on the north, the El Dorado County line on the east, and White Rock Road on the south. Each IA within CFD No. 22A includes several Assessor's Parcel Numbers, which are identified in the proposed boundary map for CFD No. 22A, included as Attachment 3. The proposed development plan for each IA within CFD No. 22A includes the following:

| Improvement Area | SF/SFHD Units | MLD Units | Non-Residential Lots | Total Residential Units | Total Lots |
|---|---|---|---|---|---|
| IA 1 | 209 | 53 | 0 | 262 | 262 |
| IA 2 | 196 | 72 | 0 | 268 | 268 |
| IA 3 | 0 | 0 | 3 | 0 | 3 |
| **Total** | **405** | **125** | **3** | **530** | **533** |

The CFD No. 22A funding stream will be a combination of bonded indebtedness and pay-as-you-go ("PAYGO") funding, both secured by the levy of special taxes upon property within the boundaries of CFD No. 22A.

The resolutions attached begin the proceedings to provide for the creation of CFD No. 22A. Resolution No. 11679 will approve the boundary map (Attachment 3), declare the intention to form CFD No. 22A, designate improvement areas therein, identify the territory proposed for annexation to CFD No. 22A and authorize the City to levy special taxes within the district.

Resolution No. 11680 declares the necessity to incur bonded indebtedness within IA No. 1 and IA No. 2 of CFD No. 22A. It is not currently anticipated that bonded indebtedness will be issued for IA No. 3.

If these resolutions are approved, a Public Hearing will be scheduled, along with an election of owners of property within CFD No. 22A, for September 22, 2026.

## POLICY / RULE

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

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

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

Mello-Roos Community Facilities Act of 1982

## ANALYSIS

CFD No. 22A will be structured as an extended-term CFD and will provide the necessary funding to help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities, including related environmental mitigation obligations. The PFFP backbone infrastructure and facilities will be financed using both bond proceeds and PAYGO special tax revenues. The extended-term CFD structure is proposed to help to meet the challenge of high-cost infrastructure and facilities while also aligning the timing of future funding availability with the need for such funding.

The PFFP backbone facilities to be funded via CFD No. 22A, and listed above, were originally anticipated to be funded by either Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services) or funded as part of project specific CFDs established for each development within the FPA.

The special tax revenue generated from taxable parcels within each IA of CFD No. 22A will be comprised of a special tax to fund facilities and a special tax to fund services. The 2026/27 maximum facilities special tax rates, set forth in each IA's Rate and Method of Apportionment (RMA), for each land use category are provided in the table below:

| Land Use Category | Lot Size | Improvement Area | 2026/27 Maximum Facilities Special Tax Rate | Per |
|---|---|---|---|---|
| Single-Family Detached Property – SF Zoning | Any | 1 | $3,500 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 1 | $2,800 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 1 | $2,600 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 1 | $2,000 | Lot |
| Other Taxable Property | Any | 1 | $15,000 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 1 | $15,000 | Acre |
| Large Lot Property | Any | 1 | $15,000 | Acre |
| Undeveloped Property | Any | 1 | $15,000 | Acre |
| Single-Family Detached Property – SF Zoning | Any | 2 | $3,770 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 2 | $3,067 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 2 | $2,959 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 2 | $2,357 | Lot |
| Other Taxable Property | Any | 2 | $15,000 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 2 | $15,000 | Acre |
| Large Lot Property | Any | 2 | $15,000 | Acre |
| Undeveloped Property | Any | 2 | $15,000 | Acre |
| Single-Family Detached Property – SF Zoning | Any | 3 | $0 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 3 | $0 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 3 | $0 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 3 | $0 | Lot |
| Other Taxable Property | Any | 3 | $0 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 3 | $0 | Acre |
| Large Lot Property | Any | 3 | $0 | Acre |
| Undeveloped Property | Any | 3 | $0 | Acre |

The CFD No. 22A facilities special tax can be levied and collected through Fiscal Year 2086/87. Each fiscal year, commencing with 2027/28, the maximum facilities special tax rate will be increased by 2% annually.

The 2026/27 maximum services special tax rates, set forth in each IA's RMA for each land use category are provided in the table below:

| Land Use Category | Lot Size | Improvement Area | 2026/27 Maximum Services Special Tax Rate | Per |
|---|---|---|---|---|
| Single-Family Detached Property – SF Zoning | Any | 1 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 1 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 1 | $137 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 1 | $117 | Lot |
| Other Taxable Property | Any | 1 | $645 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 1 | $645 | Acre |
| Large Lot Property | Any | 1 | $645 | Acre |
| Undeveloped Property | Any | 1 | $645 | Acre |
| Single-Family Detached Property – SF Zoning | Any | 2 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 2 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 2 | $137 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 2 | $117 | Lot |
| Other Taxable Property | Any | 2 | $659 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 2 | $659 | Acre |
| Large Lot Property | Any | 2 | $659 | Acre |
| Undeveloped Property | Any | 2 | $659 | Acre |
| Single-Family Detached Property – SF Zoning | Any | 3 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 3 | $137 | Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 3 | $137 | Lot |
| Single-Family Detached Property – MLD Zoning | Any | 3 | $117 | Lot |
| Other Taxable Property | Any | 3 | $474 | Acre |
| Permit Ready Multi-Family/Non-Residential Property | Any | 3 | $474 | Acre |
| Large Lot Property | Any | 3 | $474 | Acre |
| Undeveloped Property | Any | 3 | $474 | Acre |

The CFD No. 22A services special tax can be levied and collected until the bonds mature, or the "Transition Event", per the RMA. Each fiscal year, commencing with 2027/28, the maximum services special tax rate will be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

After the Transition Event, both the facilities special tax and services special tax levies will cease, and a transition services special tax will replace the prior funding. The transition services special tax will be an amount equal to 50% of the maximum facilities special tax rate the year

prior to the Transition Event plus the maximum services special tax rate the year prior to the Transition Event. Each fiscal year, commencing with the transition year, the maximum transition services special tax rate will be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

As described above, CFD No. 22A will include an extended-term in order to provide the financing to fund CFD No. 22A authorized facilities through multiple CFD bond issues and the generation of PAYGO special tax revenue from the levy and collection of the special tax. The primary pledge of CFD No. 22A special tax revenues will be to service outstanding CFD No. 22A debt. Special tax revenues in excess of the annual debt service and administrative expenses will be used on a PAYGO basis. 100% of the PAYGO revenue beginning with CFD No. 22A formation through the 20th fiscal year is intended to be available to the landowners to fund eligible facilities. After that, any PAYGO revenues may be used at the City's discretion to continue to fund or acquire eligible facilities, or the City may elect to reduce the special tax levy amount to eliminate PAYGO revenues.

Approving the resolutions attached also approves the boundary map for CFD No. 22A. Upon passage of these resolutions, a Public Hearing concerning the formation of CFD No. 22A will be scheduled, along with an election of owners of property within each IA of CFD No. 22A, for September 22, 2026.

## FINANCIAL IMPACT

The services special tax for CFD No. 22A was structured to include police, fire, and other emergency services as project-specific services.

The CFD No. 22A formation, bonded indebtedness, and expenses are solely the responsibility of CFD No. 22A. The General Fund is not impacted by the CFD No. 22A Rate and Method of Apportionment.

## ENVIRONMENTAL REVIEW

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

**ATTACHMENTS**

1. Resolution No. 11679- A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named "City of Folsom Community Facilities District No. 22A (Folsom Heights)," Designate Separate Improvement Areas Therein and Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes therein

2. Resolution No. 11680 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights) and in and for Two Improvement Areas Designated therein and Territory Proposed for Annexation to the Community Facilities District in the Future and Calling for a Public Hearing thereon.

3. Boundary Map of Proposed CFD No. 22A

Submitted,

_____

Stacey Tamagni
Finance Director/CFO

Attachment 1

# RESOLUTION NO. 11679

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM APPROVING A PROPOSED BOUNDARY MAP AND DECLARING INTENTION TO FORM A COMMUNITY FACILITIES DISTRICT TO BE NAMED "CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)," DESIGNATE SEPARATE IMPROVEMENT AREAS THEREIN AND IDENTIFY TERRITORY PROPOSED FOR ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT IN THE FUTURE AND TO LEVY SPECIAL TAXES THEREIN

**WHEREAS**, in accordance with the provisions of Section 53312.7 and 53345.8 of the California Government Code, the City Council (the "City Council") of the City of Folsom (the "City") previously adopted the Local Goals and Policies (the "City Goals and Policies") concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

**WHEREAS**, it is proposed to form a community facilities district within the area of the City known as "Folsom Heights" under the Act; and

**WHEREAS**, the name of the proposed community facilities district shall be "City of Folsom Community Facilities District No. 22A (Folsom Heights)" ("CFD 22A" or the "CFD"); and

**WHEREAS**, pursuant to Section 53350 of the Act, it is proposed to designate two improvement areas within CFD 22A (each, an "Improvement Area"); and

**WHEREAS**, the names of the Improvement Areas shall be "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1" ("Improvement Area No. 1"), "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2" ("Improvement Area No. 2") and "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 3" ("Improvement Area No. 3"); and

**WHEREAS**, the proposed boundaries of CFD 22A, and each portion of CFD 22A designated as an Improvement Area, are shown on the boundary map entitled "Map of Boundaries City of Folsom Community Facilities District No. 22A (Folsom Heights)," on file with the City Clerk (the "Boundary Map"); and

**WHEREAS**, the types of public facilities (the "Facilities") and services (the "Services") proposed to be financed by CFD 22A are set forth in Exhibits A and B, respectively, attached hereto, and the City finds that the Facilities and Services are necessary to meet increased demands placed upon the City as the result of new development occurring and anticipated within CFD 22A; and

**WHEREAS**, the types of incidental expenses proposed to be incurred are set forth in Exhibit C attached to this resolution;

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

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

Section 2. The City Council hereby finds and determines that CFD 22A, and each Improvement Area, is in compliance with the City Goals and Policies, and to the extent of any non-compliance with the City Goals and Policies, such compliance is hereby waived by the City.

Section 3. It is the intention of the City Council to establish and the City Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act to be known and designated as the "City of Folsom Community Facilities District No. 22A (Folsom Heights)" and to identify territory proposed for annexation to CFD 22A in the future with the unanimous approval of the owner or owners of each such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A (the "Future Annexation Area"). The boundaries of the territory proposed for inclusion in CFD 22A, Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3 therein, and the proposed Future Annexation Area, are more particularly described and shown on the Boundary Map now on file in the office of the City Clerk. The City Council hereby approves the Boundary Map and adopts the boundaries shown on the Boundary Map as describing the extent of the territory included in CFD 22A, each Improvement Area therein, and the Future Annexation Area. The City finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the City Clerk to certify the adoption of this resolution on the face of the Boundary Map, and to file a copy of the Boundary Map with the County Recorder for placement in the Book of Maps of Assessment and Community Facilities Districts no later than fifteen (15) days after the adoption of this resolution.

Section 4. It is the intention of the City Council to finance the Facilities and fund the Services described in Exhibits A and B, respectively, attached hereto and made a part hereof. All of the Facilities to be financed will have an estimated useful life of at least five (5) years. They are public facilities that the City or another governmental entity is authorized by law to construct, own or operate or to which they may contribute revenue. Pursuant to Government Code § 53313.5(m), the City Council finds and determines that to the extent that mass grading of hillside residential lots requires an integrated grading program that simultaneously establishes slope stability, erosion control, and stormwater conveyance serving the broader community, and these elements cannot feasibly be separated from the grading of individual lots without compromising the geotechnical integrity of the hillside and the protection of adjacent public infrastructure, such mass grading serves a public purpose and therefore constitutes an eligible public Facility. The Facilities to be financed need not be physically located within CFD 22A.

Section 5. Except where funds are otherwise available, special taxes sufficient to pay for all Facilities and Services will be annually levied within each Improvement Area. It is the intention of the City Council that a parcel or parcels within the Future Annexation Area may be annexed to CFD 22A and subjected to the special taxes only with the unanimous approval of the owner or owners of such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the

California Streets and Highways Code, a continuing lien to secure the related levy of the special tax shall attach to all nonexempt real property within CFD 22A, and the lien shall continue in force and effect until the special tax obligation (or any portion thereof) is paid or prepaid and permanently satisfied and the related special tax lien is cancelled in accordance with law or until collection of the related special tax by the City ceases. The rate and method of apportionment of the special tax to be levied in each Improvement Area are set forth in Exhibit D-1, D-2, and D-3, respectively, attached to this resolution. The rate of special taxes, including the maximum special taxes, for a parcel or parcels in the Future Annexation Area annexed to CFD 22A with the unanimous approval of the owner or owners of such parcel or parcels, shall be levied as set forth in Exhibit D-1, D-2 and D-3 in accordance with the Improvement Area to which such area is annexed. The special tax with respect to the Facilities on any parcel within each Improvement Area shall not be levied after the earlier of (i) Fiscal Year 2086-87 or (ii) the Fiscal Year occurring 50 years following (a) the Fiscal Year in which the first building permit was issued, or (b) the first series of bonds was issued within the respective Improvement Area. The special tax with respect to the Services shall be levied perpetually until the collection of the special tax by the City ceases. In the case of any special tax to pay for the Facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within any Improvement Area by more than 10 percent of the special tax for Facilities that would be levied in that Fiscal Year but for such delinquencies or defaults.

Section 6. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within each Improvement Area, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

To the extent the Facilities will not be constructed by the City, in the opinion of the City Council, the public interest will not be served by allowing the property owners in CFD 22A to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 7. The City intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within CFD 22A to be accepted under Government Code sections 53344.1 and 53356.8 in full or partial payment of any installment of the special taxes or the interest or penalties thereon.

Section 8. The City Council hereby sets Tuesday, September 22, 2026, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for the public hearing on the formation of CFD 22A. At the hearing, oral and written testimony concerning the formation of CFD 22A, the extent of CFD 22A and the identification of the Future Annexation Area, the designation of the Improvement Areas and the furnishing of the Facilities and Services will be heard and protests will be considered from registered voters residing within CFD 22A and persons owning real property within CFD 22A or the Future Annexation Area. Written protests against the formation of CFD 22A or designation of an Improvement Area by a majority of the registered voters (if at least six such voters protest) or by the owners of a majority of the land which would be subject to special taxation within the related Improvement Area will require the suspension of proceedings to form CFD 22A, to designate the related Improvement Area and to levy the specified special tax for at

least one year. Written protests by fifty percent (50%) or more of the registered voters or six registered voters, whichever is more, residing within the Future Annexation Area, or by the owners of one-half or more of the land area within the Future Annexation Area, will require suspension of the proceedings to authorize the same territory to be annexed to CFD 22A in the future for at least one year. If such protests constitute a majority protest and are directed only against a specified type or types of the Facilities and Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. Written protests must be filed with the City Clerk at or before the time fixed for the hearing.

Section 9. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution authorizing the issuance of bonds or indenture authorized thereby.

Section 10. It is anticipated that the special tax will be billed as a separate line item on the regular secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes. However, the City reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing, and when lawfully available, judicial foreclosure of the special tax lien.

Section 11. The City Manager or his/her designee is directed to study CFD 22A and prepare for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Hearing Report"). The City Manager may delegate to consultants the duty to perform the study and prepare the CFD Hearing Report.

Section 12. If elections are held in these proceedings, it is the intention of the City Council that the electors will be the owners of property within CFD 22A pursuant to Sections 53326 and 53350 of the Act.

Section 13. The City Council also intends to establish the annual appropriations limit for Improvement Area No. 1 at $4,000,000, for Improvement Area No. 2 at $4,000,000, and for Improvement Area No. 3 at $4,000,000, each for the 2026-27 fiscal year.

Section 14. The City Clerk is hereby directed to have the Notice of Public Hearing in the form attached to this resolution as Exhibit E published once in a newspaper of general circulation in the vicinity of CFD 22A, no later than ten (10) days prior to the public hearing.

Section 15. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

# EXHIBIT A

## AUTHORIZED FACILITIES
## CITY OF FOLSOM
## COMMUNITY FACILITIES DISTRICT NO. 22A
## (FOLSOM HEIGHTS)

The Facilities to be financed by CFD 22A include facilities designed to meet the needs of development within CFD 22A, whether such facilities are located within or outside the boundaries of CFD 22A, and include but are not limited to the following:

**Transportation Improvements**

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed herein also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Authorized facilities include the following transportation improvements:

- Summit Street
- Prima Drive
- Empire Ranch Road
- Alder Creek Parkway
- Folsom Heights Drive
- Other public roadway improvements designed to meet the needs of development of property within CFD 22, including internal subdivision streets and related underground utilities.

**Water System Improvements**

Authorized facilities include any and all water facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters; booster pump stations and power; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

**Recycled Water System Improvements**

Authorized facilities include any and all recycled water system facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

**Drainage System Improvements**

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates, and fencing; and striping and signage and other improvements related thereto.

**Wastewater System Improvements**

Authorized facilities include any and all wastewater facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main lines; force mains; lift stations; upgrades to existing lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

**Park, Parkway and Open Space Improvements**

Authorized facilities include any and all improvements to parks, parkways and open space required for development of property within CFD 22A. These facilities include, but may not be limited to: grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements. Authorized facilities include acquisition of any and all parkland as well as open space/bike trail/public access easements required for development of property within CFD 22A.

**Specific Plan Infrastructure Fee Infrastructure**

Authorized facilities include any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, including any future amendments thereto.

**Other Incidental Expenses and Bond Issuance Costs**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of CFD 22A; and any other expenses incidental to the formation and implementation of CFD 22A and to the construction, completion, inspection and acquisition of the authorized facilities.

# EXHIBIT B

## AUTHORIZED SERVICES
## CITY OF FOLSOM
## COMMUNITY FACILITIES DISTRICT NO. 22A
## (FOLSOM HEIGHTS)

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below in addition to the costs associated with collecting and administering the special taxes and annual administration of CFD 22A.

CFD 22A will be eligible to fund all or a portion of the costs of reconstruction and/or rehabilitation, operation, maintenance, repair and replacement, and servicing of the following items not otherwise subject to funding from the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services):

1. Open Space improvements, operations and management, monitoring, maintenance (including general maintenance, signage, City owned fence maintenance, trash and debris collection, and bike trails and their appurtenances [drainage culverts or pipes from adjacent subdivisions] within open space), creation and maintenance of fire breaks, Permits, Vandalism/Graffiti, Flood Conveyance (Vegetation/tree removals), Beaver dam removals, Outfall/drainage swale maintenance, Erosion control/bank stabilization, Native planting/replanting, Pre and post emergent, maintenance activities as required by a 404 permit and Operations and Management Plan-Conservation and Passive Recreation Open Space, dated June 9, 2017, and repair and replacement of facilities within open space areas in the Project Area.

2. The maintenance of on-site landscape corridors and paseos designed to serve land uses within CFD 22A, including general maintenance, masonry walls, accent lighting, water and utility costs.

3. The maintenance of streetlights, including any utility costs related thereto.

4. The maintenance of medians, entries, and entry monumentation.

5. Neighborhood park maintenance, and repair and replacement.

6. Community amenities, such as a community clubhouse.

7. Storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.

8. Miscellaneous costs related to any of the items described above including planning, engineering, GIS, legal, and city and county administration costs.

9. The levy of special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry

monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by CFD 22A as determined by the Administrator.

Annual maintenance functions and costs generally will include the installation, maintenance and servicing of ground cover, shrubs and trees, irrigation systems, street lighting, fencing, sound walls, sidewalks, monuments, enhanced open space maintenance including but not limited to maintaining the enhanced open space areas located adjacent to avoided or created habitat mitigation areas and other buffer areas between the enhanced open space and vertical development, bike trails, walkways, entry signage, street pavers, and labor, materials, supplies, utilities (including water and electricity) and equipment, as applicable, for property owned or maintained by the City. Annual maintenance costs include an allowance for long-term repair and replacement of improvements.

CFD 22A may fund any of the following related to the maintenance of the services described above: obtaining, repairing, reconstructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of the personnel necessary or convenient to provide the services, and other related expenses and the provision of reserves for repairs and replacements for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof. CFD 22A may also fund administrative fees of the City related to CFD 22A.

CFD 22A will further be eligible to fund all or a portion of the costs of the following public services:

Police, fire and other emergency services that are in addition to those services that were provided within the boundaries of CFD 22A at the time of formation of CFD 22A, including but not limited to (i) the costs of contracting services, (ii) related equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and non-City staff that directly provide police, fire and emergency services, and (iv) City and non-City overhead costs associated with providing such services within CFD 22A.

# EXHIBIT C

## INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS
## CITY OF FOLSOM
## COMMUNITY FACILITIES DISTRICT NO. 22A
## (FOLSOM HEIGHTS)

It is anticipated that the following incidental expenses may be incurred for CFD 22A:

Engineering services
Special tax consultant services
City review and administration
Bond counsel services
Bond counsel expenses
Disclosure counsel services
Disclosure counsel expenses
Independent municipal advisor services and expenses
Appraiser services
Market absorption study and real estate economist services
Initial bond transfer agent, fiscal agent, registrar and paying agent fees
Rebate calculation service set up charge
Bond printing
Offering memorandum printing and mailing costs
Publishing, mailing and posting of notices
Underwriter's discount
Bond reserve fund
Capitalized interest
Bond syndication costs
Governmental notification and filing costs
Credit enhancement costs
Real estate acquisition costs
Rating agency fees
Charges and fees of City other than those waived

Certain annual costs may be included in each annual special tax levy. These include:

Annual bond transfer agent, fiscal agent, registrar and paying agent fees
Annual rebate calculation costs
Special tax consultant costs and administration expenses
Other necessary consultant costs
Costs of posting and collecting the special taxes
Personnel and Administrative costs of the City
Arbitrage rebate
Continuing disclosure reporting and compliance

# EXHIBIT D-1

## RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
## CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS) IMPROVEMENT AREA NO. 1

**RATE AND METHOD OF APPORTIONMENT FOR**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A**
**(FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 1 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA1) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA1 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A IA1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

## A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

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

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

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

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

**"Authorized Services"** means the services authorized to be financed by CFD No. 22A IA1.

**"Average Sales Price"** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA1 market area.

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

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 22A IA1 under the Act.

**"CFD No. 22A IA1"** means City of Folsom Community Facilities District No. 22A IA1 (Folsom Heights).

**"CFD No. 22A IA1 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"City"** means the City of Folsom.

**"City Council"** means the City Council of the City, acting as the legislative body of CFD No. 22A IA1.

**"County"** means the County of Sacramento.

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

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

**"Effective Tax Rate Evaluation Maximum Facilities Special Tax"** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.3, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

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

**"Effective Tax Rate Evaluation Minimum Facilities Revenue"** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 22A IA1 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 partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**"Exempt Property"** means all Assessors' Parcels that are exempt from the Special Tax pursuant to Section G.

**"Facilities Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 22A IA1, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 22A IA1, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to

applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 22A IA1, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA1 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

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

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

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 22A IA1 to: (i) pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 22A IA1 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 22A IA1.

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

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

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

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

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

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

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

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

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

Beginning in the Transition Year, "Maximum Special Tax", also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

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

**"Maximum Transition Services Special Tax"** means, beginning in the Transition Year, the maximum amount, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

**"Minimum Facilities Revenue"** means the minimum amount of total CFD No. 22A IA1 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

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

**"Open Space Property"** means property within the boundaries of CFD No. 22A IA1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Other Taxable Property"** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

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

**"Pay As You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 22A IA1.

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

**"Planned Development"** means the planned number of Residential Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A IA1, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 22A IA1.

**"Price Point Study"** means an analysis, prepared by an independent firm, to verify the estimated Average Sales Price within each land use category of Residential Property given the project location and current market conditions.

**"Property Owner Association Property"** means any property within the boundaries of CFD No. 22A IA1, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**"Proportionately"** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors' Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 22A IA1.

**"Public Property"** means any property within the boundaries of CFD No. 22A IA1, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

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

**"Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning Property.

**"Residential Unit"** means a residential dwelling unit, including accessory dwelling units, as allowed by the City zoning code.

**"Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 22A IA1, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA1 for any other administrative purposes related to the Services Special Tax.

**"Services Special Tax"** means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Services Special Tax Requirement.

**"Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Services Special Tax Requirement"** means the amount of Services Special Tax revenue required for CFD No. 22A IA1, before the Transition Year, 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. 22A IA1 Administrator.

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

**"Single-Family Detached Property – SF 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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 – 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 – SFHD Zoning shall consist of single-family property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Special Tax"** means, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

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

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

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

**"State"** means the State of California.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 22A IA1 that are not exempt from the CFD No. 22A IA1 Special Tax pursuant to law or Section F below.

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

**"Total Estimated Tax Burden"** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated Average Sales Price identified in the most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**"Transition Event"** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA1 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA1 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA1.

**"Transition Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 22A IA1, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA1 for any other administrative purposes related to the Transition Services Special Tax.

**"Transition Services Special Tax"** means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

**"Transition Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Transition Services Special Tax Rate"** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year's Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year's Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**"Transition Services Special Tax Requirement"** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA1, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA1 Administrator.

**"Transition Year"** means the first year in which the CFD No. 22A IA1 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

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

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

**"Welfare Exempt Property"** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 22A IA1 shall be designated as either Taxable Property or Exempt Property.

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

## C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA1 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### C.1. Increase in the Maximum Facilities Special Tax

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### C.2. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be uniformly increased on the Large Lot Property created from the Undeveloped Property subdivision until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this

Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

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

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

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

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

### C.3. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 22A IA1 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 22A IA1.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA1 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

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

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

**Effective Tax Rate Evaluation Minimum Facilities Revenue**

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

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

**C.4. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be uniformly increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Effective Tax Rate Evaluation Maximum

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

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

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

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

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

Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

**C.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA1 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 until the Transition Year as follows:

**Prior to an Effective Tax Rate Evaluation**

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

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

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

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

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

**After an Effective Tax Rate Evaluation**

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

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

## D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA1 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

### D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A IA1 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement, such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 22A IA1.

Using the definitions and procedures described herein, the CFD No. 22A IA1 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

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

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

## E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA1 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 22A IA1 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

## F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 22A IA1 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 22A IA1 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

## G. EXEMPTIONS

The CFD No. 22A IA1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in paragraph 1 of Section G. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 22A IA1, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are

agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 22A IA1 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

## I. INTERPRETATIONS

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

## J. REVIEW/APPEALS

The CFD No. 22A IA1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA1 Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 22A IA1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 22A IA1 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager of the City), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 22A IA1 Administrator or subsequent decision by the City Manager of the City or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

## K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 22A IA1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

## L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA1 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA1 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA1 Administrator may charge a fee for providing this service.

### L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is calculated as follows:

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

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

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

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

The "Redemption Amount" is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A IA1, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

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

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

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

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

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

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a

capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

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

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

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

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

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

## M. TERM OF SPECIAL TAX

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**
**MAXIMUM SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Maximum Facilities Special Tax Rate(1) | 2026-2027 Maximum Services Special Tax Rate(2) | Taxed Per |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $3,500 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $2,800 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $2,600 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $2,000 | $117 | Residential Lot |
| Other Taxable Property | Any | $15,000 | $645 | Acre |
| **Small Lot Final Map Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $3,500 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $2,800 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $2,600 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $2,000 | $117 | Residential Lot |
| Other Taxable Property | Any | $15,000 | $645 | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $15,000 | $645 | Acre |
| **Large Lot Property** | | $15,000 | $645 | Acre |
| **Undeveloped Property** | | $15,000 | $645 | Acre |

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**
**MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | Planned Number of Residential Lots | 2026-2027 Developed Property Maximum Facilities Special Tax Rate(1)(2) | 2026-2027 Minimum Facilities Revenue (1)(3) |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 78 | $3,500 | $273,000 |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 93 | $2,800 | $260,400 |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 38 | $2,600 | $98,800 |
| Single-Family Detached Property – MLD Zoning | Any | 53 | $2,000 | $106,000 |
| Other Taxable Property | Any | 0 | $15,000 | $0 |
| **Total Minimum Facilities Revenue(4)** | | | | **$738,200** |

(1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

(2) As a result of future Assessor's Parcel changes, described in Section C.2, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.

(3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 1.

**ATTACHMENT C**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**
**EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate(1)(2) | Taxed Per |
|---|---|---|---|
| **Developed Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Small Lot Final Map Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $_____ | Acre |
| **Large Lot Property** | | $_____ | Acre |
| **Undeveloped Property** | | $_____ | Acre |

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

**ATTACHMENT D**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**
**EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot / Village # | Planned Number of Residential Lots / Acres[1] | 2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate[1][2][3] | 2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue[1][2][4] |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 78 | $_____ | $_____ |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 93 | _____ | _____ |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 38 | _____ | _____ |
| Single-Family Detached Property – MLD Zoning | Any | 53 | _____ | _____ |
| Other Taxable Property | Any | 0 | _____ | _____ |
| **Total Effective Tax Rate Evaluation Minimum Facilities Revenue[5]** | | | | **$_____** |

(1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.

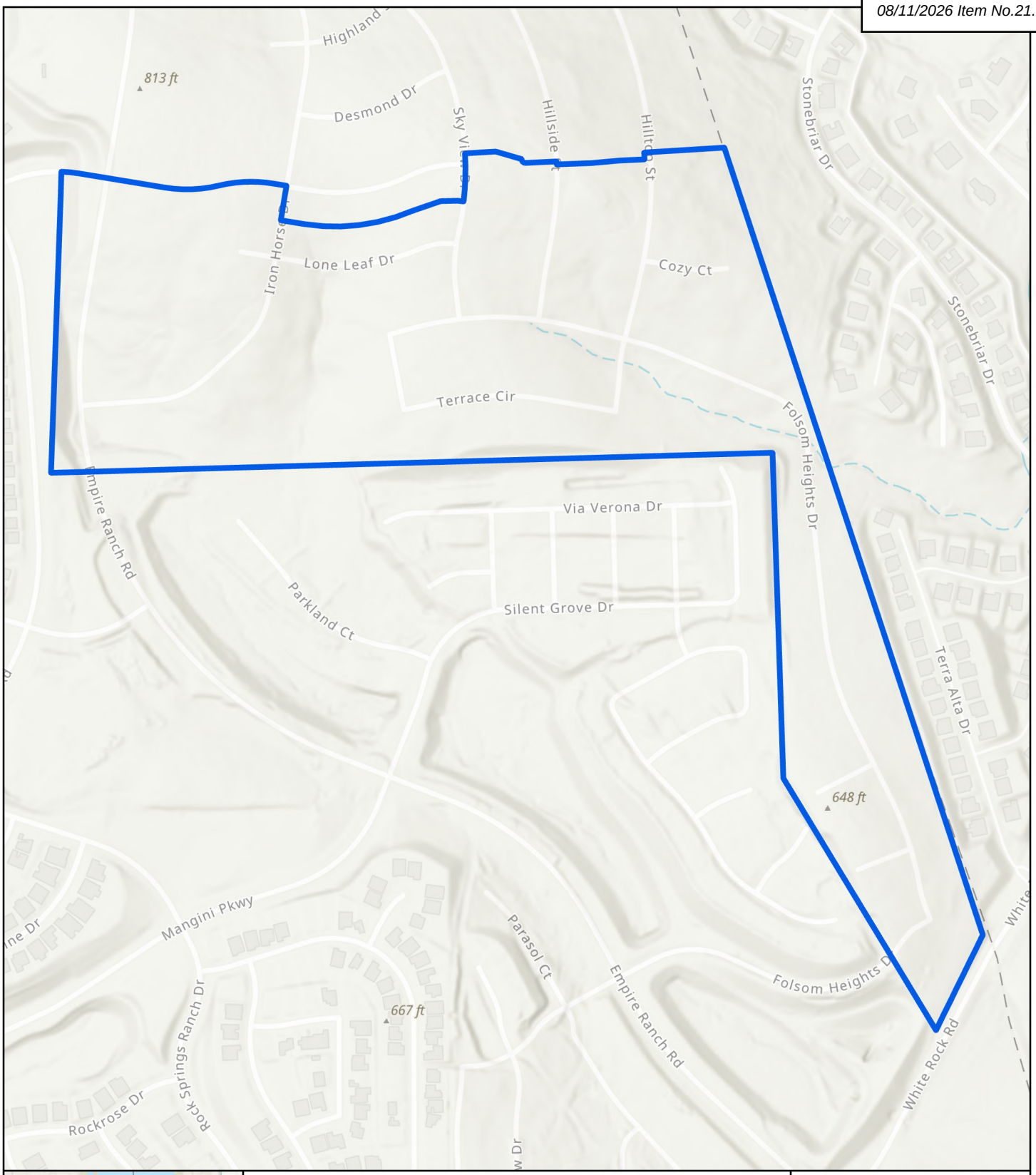
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.

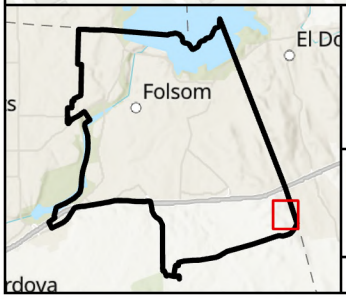
(3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.

(4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 1.

**ATTACHMENT E**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 1**




**City of Folsom**
**Community Facilities District No. 22A (Folsom Heights)**
**Improvement Area 1**

Improvement Area 1 Boundary

2026

N

0 0.05 0.1 Mi

0 295 590 US Feet

Coordinate System: NAD 1983 State I FIPS 0402 Feet



NBS helping communities fund tomorrow

# EXHIBIT D-2

## RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
## CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS) IMPROVEMENT AREA NO. 2

**RATE AND METHOD OF APPORTIONMENT FOR**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A**
**(FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 2 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA2) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA2 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A IA2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

## A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

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

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

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

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

**"Authorized Services"** means the services authorized to be financed by CFD No. 22A IA2.

**"Average Sales Price"** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA2 market area.

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

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 22A IA2 under the Act.

**"CFD No. 22A IA2"** means City of Folsom Community Facilities District No. 22A IA2 (Folsom Heights).

**"CFD No. 22A IA2 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"City"** means the City of Folsom.

**"City Council"** means the City Council of the City, acting as the legislative body of CFD No. 22A IA2.

**"County"** means the County of Sacramento.

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

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

**"Effective Tax Rate Evaluation Maximum Facilities Special Tax"** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.3, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

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

**"Effective Tax Rate Evaluation Minimum Facilities Revenue"** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 22A IA2 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 partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**"Exempt Property"** means all Assessors' Parcels that are exempt from the Special Tax pursuant to Section G.

**"Facilities Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 22A IA2, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 22A IA2, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to

applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 22A IA2, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA2 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

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

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

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 22A IA2 to: (i) pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 22A IA2 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 22A IA2.

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

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

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

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

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

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

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

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

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

Beginning in the Transition Year, "Maximum Special Tax", also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

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

**"Maximum Transition Services Special Tax"** means, beginning in the Transition Year, the maximum amount, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

**"Minimum Facilities Revenue"** means the minimum amount of total CFD No. 22A IA2 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

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

**"Open Space Property"** means property within the boundaries of CFD No. 22A IA2 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Other Taxable Property"** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

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

**"Pay As You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 22A IA2.

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

**"Planned Development"** means the planned number of Residential Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A IA2, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 22A IA2.

**"Price Point Study"** means an analysis, prepared by an independent firm, to verify the estimated Average Sales Price within each land use category of Residential Property given the project location and current market conditions.

**"Property Owner Association Property"** means any property within the boundaries of CFD No. 22A IA2, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**"Proportionately"** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors' Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 22A IA2.

**"Public Property"** means any property within the boundaries of CFD No. 22A IA2, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

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

**"Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning Property.

**"Residential Unit"** means a residential dwelling unit, including accessory dwelling units, as allowed by the City zoning code.

**"Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 22A IA2, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA2 for any other administrative purposes related to the Services Special Tax.

**"Services Special Tax"** means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Services Special Tax Requirement.

**"Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Services Special Tax Requirement"** means the amount of Services Special Tax revenue required for CFD No. 22A IA2, before the Transition Year, 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. 22A IA2 Administrator.

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

**"Single-Family Detached Property – SF 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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 – 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 – SFHD Zoning shall consist of single-family property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Special Tax"** means, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

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

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

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

**"State"** means the State of California.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 22A IA2 that are not exempt from the CFD No. 22A IA2 Special Tax pursuant to law or Section F below.

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

**"Total Estimated Tax Burden"** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated Average Sales Price identified in the most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**"Transition Event"** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA2 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA2 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA2.

**"Transition Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 22A IA2, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA2 for any other administrative purposes related to the Transition Services Special Tax.

**"Transition Services Special Tax"** means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

**"Transition Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Transition Services Special Tax Rate"** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year's Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year's Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**"Transition Services Special Tax Requirement"** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA2, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA2 Administrator.

**"Transition Year"** means the first year in which the CFD No. 22A IA2 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

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

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

**"Welfare Exempt Property"** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA2 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 22A IA2 shall be designated as either Taxable Property or Exempt Property.

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

## C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA2 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### C.1. Increase in the Maximum Facilities Special Tax

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### C.2. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be uniformly increased on the Large Lot Property created from the Undeveloped Property subdivision until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this

Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

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

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

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

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

### C.3. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 22A IA2 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 22A IA2.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA2 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

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

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

**Effective Tax Rate Evaluation Minimum Facilities Revenue**

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

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

**C.4. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be uniformly increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Effective Tax Rate Evaluation Maximum

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

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

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

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

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

Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

**C.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA2 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 until the Transition Year as follows:

**Prior to an Effective Tax Rate Evaluation**

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

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

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

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

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

**After an Effective Tax Rate Evaluation**

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

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

## D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA2 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

### D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A IA2 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement, such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 22A IA2.

Using the definitions and procedures described herein, the CFD No. 22A IA2 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

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

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

## E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA2 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 22A IA2 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

## F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 22A IA2 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 22A IA2 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

## G. EXEMPTIONS

The CFD No. 22A IA2 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in paragraph 1 of Section G. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 22A IA2, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are

agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 22A IA2 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

## I. INTERPRETATIONS

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

## J. REVIEW/APPEALS

The CFD No. 22A IA2 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA2 Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 22A IA2 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 22A IA2 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA2 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA2 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager of the City), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 22A IA2 Administrator or subsequent decision by the City Manager of the City or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

## K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 22A IA2, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

## L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA2 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA2 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA2 Administrator may charge a fee for providing this service.

### L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is calculated as follows:

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

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

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

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

The "Redemption Amount" is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A IA2, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

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

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

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

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

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

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a

capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

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

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

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

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

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

## M. TERM OF SPECIAL TAX

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**
**MAXIMUM SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Maximum Facilities Special Tax Rate(1) | 2026-2027 Maximum Services Special Tax Rate(2) | Taxed Per |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $3,770 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $3,067 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $2,959 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $2,357 | $117 | Residential Lot |
| Other Taxable Property | Any | $15,000 | $659 | Acre |
| **Small Lot Final Map Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $3,770 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $3,067 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $2,959 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $2,357 | $117 | Residential Lot |
| Other Taxable Property | Any | $15,000 | $659 | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $15,000 | $659 | Acre |
| **Large Lot Property** | | $15,000 | $659 | Acre |
| **Undeveloped Property** | | $15,000 | $659 | Acre |

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**
**MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | Planned Number of Residential Lots | 2026-2027 Developed Property Maximum Facilities Special Tax Rate(1)(2) | 2026-2027 Minimum Facilities Revenue (1)(3) |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 55 | $3,770 | $207,350 |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 60 | $3,067 | $184,020 |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 81 | $2,959 | $239,679 |
| Single-Family Detached Property – MLD Zoning | Any | 72 | $2,357 | $169,704 |
| Other Taxable Property | Any | 0 | $15,000 | $0 |
| **Total Minimum Facilities Revenue(4)** | | | | **$800,753** |

(1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

(2) As a result of future Assessor's Parcel changes, described in Section C.2, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.

(3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 2.

**ATTACHMENT C**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**
**EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate(1)(2) | Taxed Per |
|---|---|---|---|
| **Developed Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Small Lot Final Map Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $_____ | Acre |
| **Large Lot Property** | | $_____ | Acre |
| **Undeveloped Property** | | $_____ | Acre |

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

**ATTACHMENT D**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**
**EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot / Village # | Planned Number of Residential Lots / Acres[1] | 2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate[1][2][3] | 2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue[1][2][4] |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 55 | $_____ | $_____ |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 60 | _____ | _____ |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 81 | _____ | _____ |
| Single-Family Detached Property – MLD Zoning | Any | 72 | _____ | _____ |
| Other Taxable Property | Any | 0 | _____ | _____ |
| **Total Effective Tax Rate Evaluation Minimum Facilities Revenue[5]** | | | | **$_____** |

(1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.

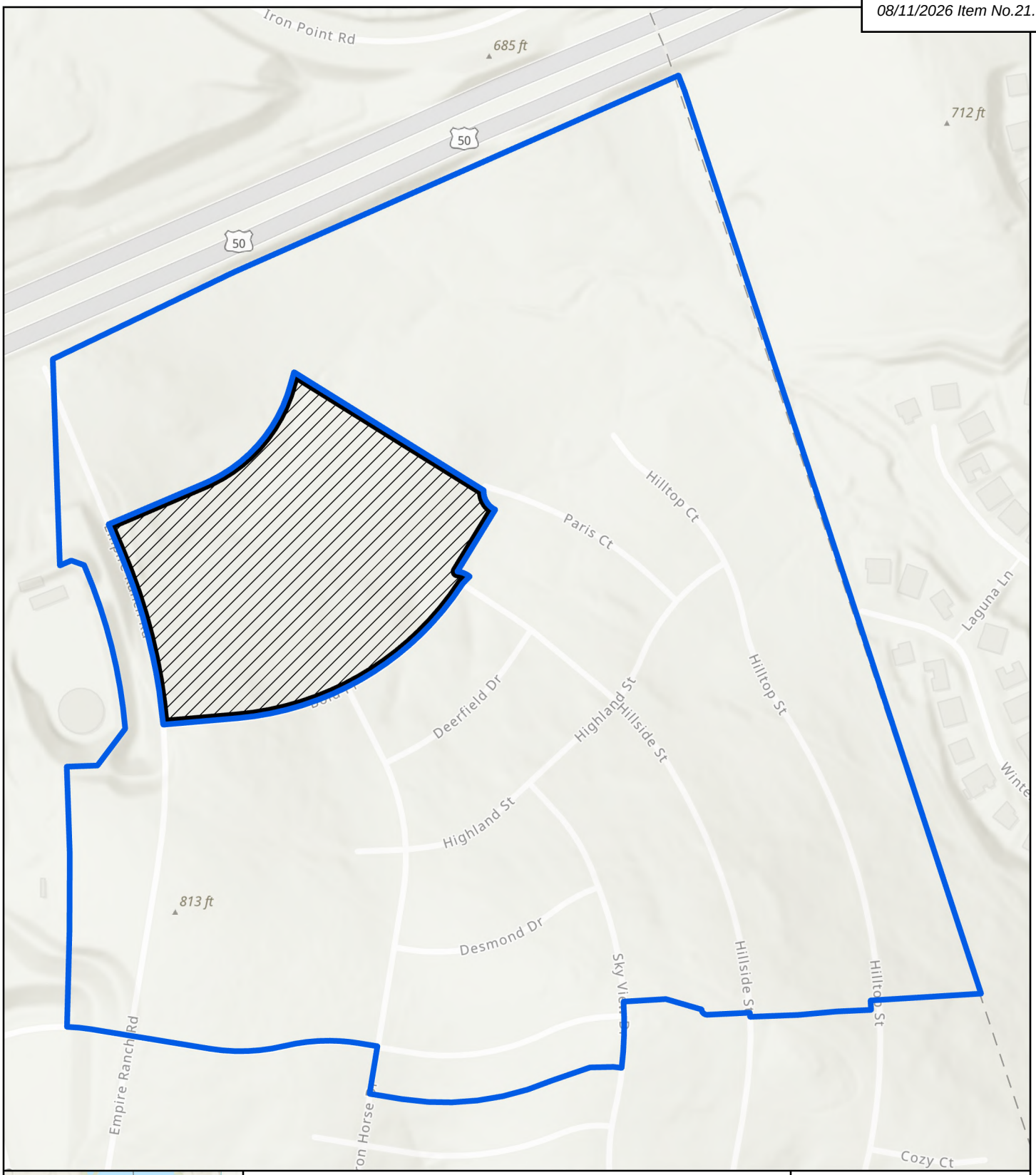
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.

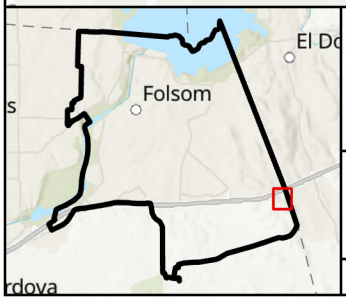
(3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.

(4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 2.

**ATTACHMENT E**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 2**




**City of Folsom**
**Community Facilities District No. 22A (Folsom Heights)**
**Improvement Area 2**

Improvement Area 2 Boundary

Not A Part

2026

N

0 0.04 0.07 Mi

0 215 430 US Feet

Coordinate System: NAD 1983 State

I FIPS 0402 Feet



NBS helping communities fund tomorrow

# EXHIBIT D-3

## RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
## CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS) IMPROVEMENT AREA NO. 3

**RATE AND METHOD OF APPORTIONMENT FOR**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A**
**(FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 3 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA3) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA3 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

## A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

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

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

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

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

**"Authorized Services"** means the services authorized to be financed by CFD No. 22A IA3.

**"Average Sales Price"** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA3 market area.

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

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 22A IA3 under the Act.

**"CFD No. 22A IA3"** means City of Folsom Community Facilities District No. 22A IA3 (Folsom Heights).

**"CFD No. 22A IA3 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"City"** means the City of Folsom.

**"City Council"** means the City Council of the City, acting as the legislative body of CFD No. 22A IA3.

**"County"** means the County of Sacramento.

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

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

**"Effective Tax Rate Evaluation Maximum Facilities Special Tax"** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.3, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

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

**"Effective Tax Rate Evaluation Minimum Facilities Revenue"** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 22A IA3 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 partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**"Exempt Property"** means all Assessors' Parcels that are exempt from the Special Tax pursuant to Section G.

**"Facilities Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 22A IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 22A IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to

applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 22A IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA3 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

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

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

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 22A IA3 to: (i) pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 22A IA3 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 22A IA3.

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

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

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

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

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

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

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

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

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

Beginning in the Transition Year, "Maximum Special Tax", also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

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

**"Maximum Transition Services Special Tax"** means, beginning in the Transition Year, the maximum amount, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor's Parcel of Taxable Property.

**"Minimum Facilities Revenue"** means the minimum amount of total CFD No. 22A IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

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

**"Open Space Property"** means property within the boundaries of CFD No. 22A IA3 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Other Taxable Property"** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

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

**"Pay As You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 22A IA3.

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

**"Planned Development"** means the planned number of Residential Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 22A IA3.

**"Price Point Study"** means an analysis, prepared by an independent firm, to verify the estimated Average Sales Price within each land use category of Residential Property given the project location and current market conditions.

**"Property Owner Association Property"** means any property within the boundaries of CFD No. 22A IA3, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**"Proportionately"** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors' Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 22A IA3.

**"Public Property"** means any property within the boundaries of CFD No. 22A IA3, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

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

**"Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning Property.

**"Residential Unit"** means a residential dwelling unit, including accessory dwelling units, as allowed by the City zoning code.

**"Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 22A IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA3 for any other administrative purposes related to the Services Special Tax.

**"Services Special Tax"** means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Services Special Tax Requirement.

**"Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Services Special Tax Requirement"** means the amount of Services Special Tax revenue required for CFD No. 22A IA3, before the Transition Year, 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. 22A IA3 Administrator.

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

**"Single-Family Detached Property – SF 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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 – 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 – SFHD Zoning shall consist of single-family property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Special Tax"** means, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

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

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

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

**"State"** means the State of California.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 22A IA3 that are not exempt from the CFD No. 22A IA3 Special Tax pursuant to law or Section F below.

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

**"Total Estimated Tax Burden"** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated Average Sales Price identified in the most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**"Transition Event"** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA3 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA3 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA3.

**"Transition Services Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 22A IA3, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA3 for any other administrative purposes related to the Transition Services Special Tax.

**"Transition Services Special Tax"** means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

**"Transition Services Special Tax Escalation Factor"** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**"Transition Services Special Tax Rate"** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year's Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year's Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**"Transition Services Special Tax Requirement"** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA3, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA3 Administrator.

**"Transition Year"** means the first year in which the CFD No. 22A IA3 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

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

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

**"Welfare Exempt Property"** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA3 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 22A IA3 shall be designated as either Taxable Property or Exempt Property.

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

## C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### C.1. Increase in the Maximum Facilities Special Tax

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### C.2. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be uniformly increased on the Large Lot Property created from the Undeveloped Property subdivision until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this

Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

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

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

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

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

### C.3. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 22A IA3 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 22A IA3.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA3 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

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

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

**Effective Tax Rate Evaluation Minimum Facilities Revenue**

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

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

**C.4. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

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

**Undeveloped Property Subdividing into Large Lot Property**

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

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

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be uniformly increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be uniformly increased until the sum of the total current Effective Tax Rate Evaluation Maximum

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

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

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

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

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

Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

**C.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA3 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 until the Transition Year as follows:

**Prior to an Effective Tax Rate Evaluation**

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

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

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

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

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

**After an Effective Tax Rate Evaluation**

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

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

## D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

### D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement, such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 22A IA3.

Using the definitions and procedures described herein, the CFD No. 22A IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

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

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

## E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA3 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

### E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 22A IA3 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

## F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 22A IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 22A IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

## G. EXEMPTIONS

The CFD No. 22A IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in paragraph 1 of Section G. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 22A IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are

agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 22A IA3 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

## I. INTERPRETATIONS

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

## J. REVIEW/APPEALS

The CFD No. 22A IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA3 Administrator shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 22A IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 22A IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager of the City), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 22A IA3 Administrator or subsequent decision by the City Manager of the City or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

## K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 22A IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

## L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA3 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA3 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA3 Administrator may charge a fee for providing this service.

### L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is calculated as follows:

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

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

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

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

The "Redemption Amount" is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

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

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

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

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

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

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a

capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

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

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

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

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

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

## M. TERM OF SPECIAL TAX

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**
**MAXIMUM SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Maximum Facilities Special Tax Rate(1) | 2026-2027 Maximum Services Special Tax Rate(2) | Taxed Per |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $0 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $0 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $0 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $0 | $117 | Residential Lot |
| Other Taxable Property | Any | $0 | $474 | Acre |
| **Small Lot Final Map Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | $0 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | $0 | $137 | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | $0 | $137 | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | $0 | $117 | Residential Lot |
| Other Taxable Property | Any | $0 | $474 | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $0 | $474 | Acre |
| **Large Lot Property** | | $0 | $474 | Acre |
| **Undeveloped Property** | | $0 | $474 | Acre |

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**
**MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | Planned Number of Residential Lots | 2026-2027 Developed Property Maximum Facilities Special Tax Rate(1)(2) | 2026-2027 Minimum Facilities Revenue (1)(3) |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 0 | $0 | $0 |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 0 | $0 | $0 |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 0 | $0 | $0 |
| Single-Family Detached Property – MLD Zoning | Any | 0 | $0 | $0 |
| Other Taxable Property | Any | 0 | $0 | $0 |
| **Total Minimum Facilities Revenue(4)** | | | | **$0** |

(1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

(2) As a result of future Assessor's Parcel changes, described in Section C.2, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.

(3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 3.

**ATTACHMENT C**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**
**EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot Size | 2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate(1)(2) | Taxed Per |
|---|---|---|---|
| **Developed Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Small Lot Final Map Property:** | | | |
| Single-Family Detached Property – SF Zoning | Any | $_____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | _____ | Residential Lot |
| Single-Family Detached Property – MLD Zoning | Any | _____ | Residential Lot |
| Other Taxable Property | Any | _____ | Acre |
| **Permit Ready Multi-Family/Non-Residential Property** | | $_____ | Acre |
| **Large Lot Property** | | $_____ | Acre |
| **Undeveloped Property** | | $_____ | Acre |

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

**ATTACHMENT D**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**
**EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE**
**(FISCAL YEAR 2026-2027)**

| Land Use Category | Lot / Village # | Planned Number of Residential Lots / Acres[1] | 2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate[1][2][3] | 2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue[1][2][4] |
|---|---|---|---|---|
| **Developed Property:** | | | | |
| Single-Family Detached Property – SF Zoning | Any | 0 | $_____ | $_____ |
| Single-Family Detached Property – SFHD Zoning | > = 5,775 Sq Ft | 0 | _____ | _____ |
| Single-Family Detached Property – SFHD Zoning | < 5,775 Sq Ft | 0 | _____ | _____ |
| Single-Family Detached Property – MLD Zoning | Any | 0 | _____ | _____ |
| Other Taxable Property | Any | 0 | _____ | _____ |
| **Total Effective Tax Rate Evaluation Minimum Facilities Revenue[5]** | | | | **$_____** |

(1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.

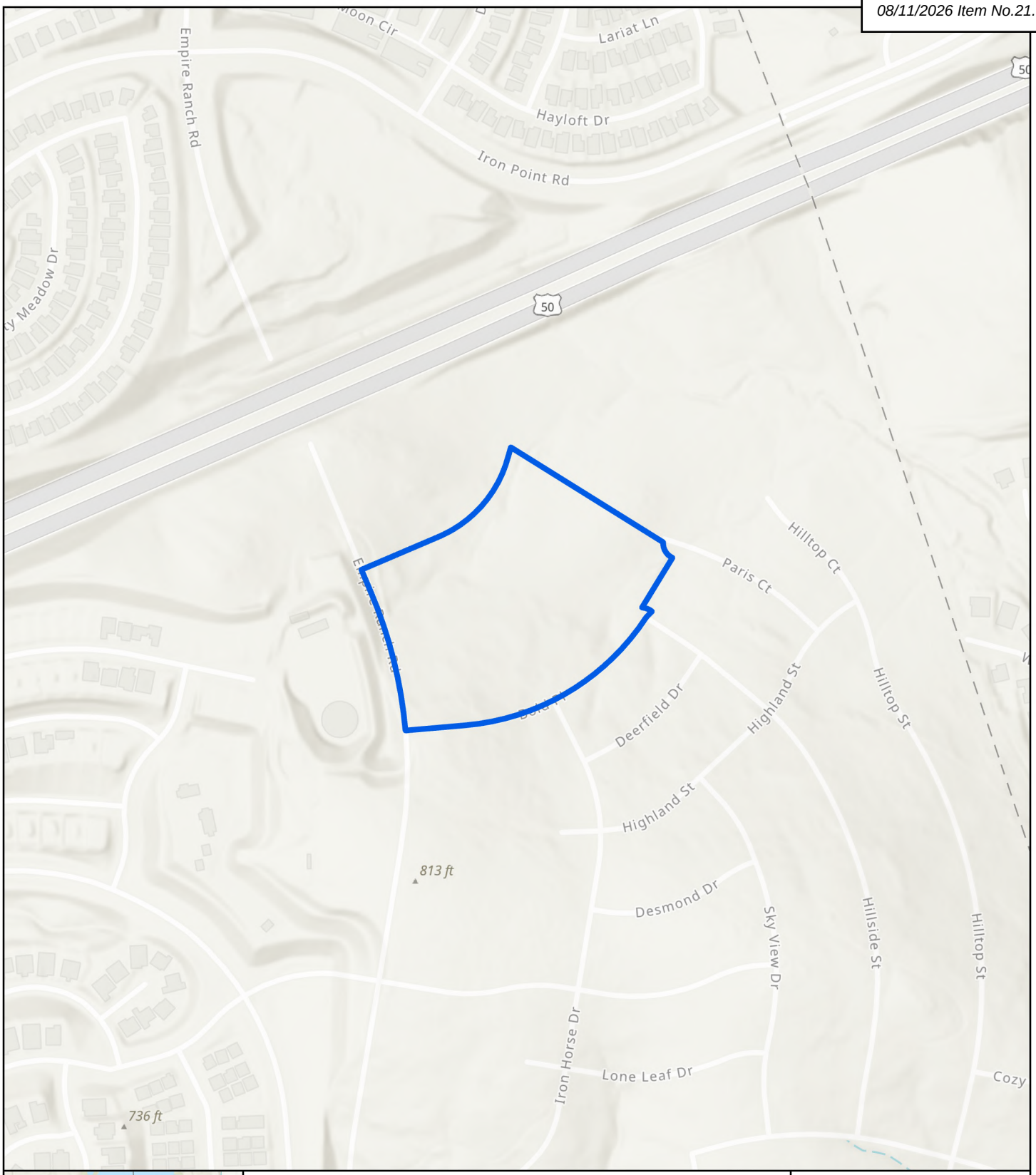
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.

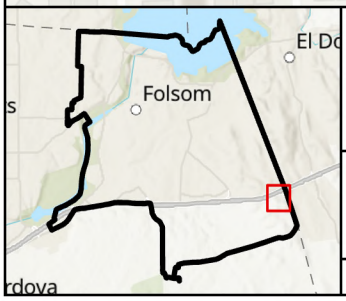
(3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.

(4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.

(5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 3.

**ATTACHMENT E**
**CITY OF FOLSOM**
**COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)**
**IMPROVEMENT AREA 3**




**City of Folsom**
**Community Facilities District No. 22A (Folsom Heights)**
**Improvement Area 3**

Improvement Area 3 Boundary

2026

N

0 0.05 0.1 Mi

0 265 530 US Feet

Coordinate System: NAD 1983 State[illegible] I FIPS 0402 Feet



NBS helping communities fund tomorrow

# EXHIBIT E

## NOTICE OF PUBLIC HEARING REGARDING THE FORMATION OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS), DESIGNATION OF IMPROVEMENT AREAS WITHIN THE DISTRICT AND LEVYING OF SPECIAL TAXES THEREIN

NOTICE IS HEREBY GIVEN that on Tuesday, August 11, 2026, the City of Folsom (the "City") duly adopted its Resolution No. [_____] (the "Resolution of Intention") wherein it declared its intention to form a community facilities district to be known as "City of Folsom Community Facilities District No. 22A (Folsom Heights)" ("CFD 22A" or the "CFD"), identify territory proposed for annexation to CFD 22A in the future with the unanimous approval of the owner or owners of each such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A (the "Future Annexation Area"), to designate two improvement areas within CFD 22A (each, an "Improvement Area") to be known as "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1" ("Improvement Area No. 1"), "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2" ("Improvement Area No. 2"), and "City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 3" ("Improvement Area No. 3"), and to levy a special tax within CFD 22A and to pay the costs of certain public facilities, including, transportation, water system, recycled water, drainage system, wastewater system, park, parkway and open space, and infrastructure required by the specific plan infrastructure fee; and other incidental expenses and bond issuance costs (collectively, the "Facilities") and of certain services, including reconstruction and/or rehabilitation, operation, maintenance, repair and replacement of open space improvements, landscape corridors and paseos, streetlights, medians, neighborhood parks, storm water management, and water quality controls, and certain costs related to the maintenance of the services described above (collectively, the "Services"), all as more specifically described in the Resolution of Intention, and its Resolution No. [____] (the "Resolution Declaring the Necessity for Incurring Bonded Indebtedness") wherein it declared its intention to incur bonded indebtedness in a principal amount not to exceed $22,000,000 for Improvement Area No. 1 and $25,000,000 for Improvement Area No. 2 to finance the acquisition and construction of the Facilities within CFD 22A under and pursuant to the terms and provisions of the "Mello Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act").

This Notice contains a brief summary of the Proposal (as described below), but you are referred to the City's Resolution of Intention and its Resolution Declaring the Necessity for Incurring Bonded Indebtedness on file with the City Clerk for the definitive description of the Proposal, including a description of the Facilities and the Services, a list of incidental expenses and bond issuance costs and the rates and methods of apportionment of the special tax.

The Proposal consists of the authorization of (1) a special tax within CFD 22A and each Improvement Area therein, (2) the issuance of bonds for each Improvement Area to finance the Facilities and (3) the annual appropriations limit of CFD 22A to be set at $4,000,000 for

Improvement Area No. 1, $4,000,000 for Improvement Area No. 2, and $4,000,000 for Improvement Area No. 3, each for fiscal year 2026-27.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the Proposal, the City must determine to form CFD 22A, designate the Improvement Areas, and, finally, the qualified electors within each Improvement Area must approve the Proposal by a two-thirds vote. Where a proposed community facilities district is uninhabited or inhabited by fewer than 12 registered voters (there are no registered voters inhabiting CFD 22A) the qualified electors are, pursuant to the Act, the owners of property within the proposed community facilities district.

THIS IS THE NOTICE OF THE PUBLIC HEARING.

The public hearing will be held during the City Council meeting on Tuesday, September 22, 2026, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630.

At the hearing, oral and written testimony of all interested persons or potential special taxpayers for or against the formation of CFD 22A, the extent of CFD 22A, the identification of the Future Annexation Area, the designation of the Improvement Areas within CFD 22A, the furnishing of the Facilities, the authorization to levy a special tax within CFD 22A and the authorization to issue the bonds will be heard. Written protests against the formation of CFD 22A or the designation of the Improvement Areas delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, CFD 22A or the Future Annexation Area will be counted toward a possible majority protest against such formation and designation. Written protests by a majority of the registered voters residing within CFD 22A (provided they number at least 6) or by the owners of a majority of the land area within CFD 22A that is or will be subject to the related special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the formation of CFD 22A and the levy of the related specified special tax to be eliminated from immediate consideration and prevent their being included in a subsequent proceedings for at least one year. Written protests by a majority of the registered voters residing within the Future Annexation Area (provided they number at least 6) or by the owners of a majority of the land area within the Future Annexation Area, or by the owners of one-half or more of the land area within the Future Annexation Area, will require suspension of the proceedings to authorize the same territory to be annexed to CFD 22A in the future for at least one year. If such protests constitute a majority protest and are directed only against the furnishing of a specified type or types of the Facilities or Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings.

Questions should be directed to Stacey Tamagni, Chief Financial Officer, telephone (916) 461-6081.

Dated: _____, 2026.

City Clerk of the
CITY OF FOLSOM

Attachment 2

# RESOLUTION NO. 11680

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM DECLARING THE NECESSITY FOR INCURRING BONDED INDEBTEDNESS IN AND FOR THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS) AND IN AND FOR TWO IMPROVEMENT AREAS DESIGNATED THEREIN AND CALLING FOR A PUBLIC HEARING THEREON

**WHEREAS**, the City Council (the "City Council") of the City of Folsom (the "City") has duly adopted its Resolution No. 11679 (the "Resolution of Intention") this date, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the "Act"), to be known and designated as "City of Folsom Community Facilities District No. 22A (Folsom Heights)" ("CFD 22A"), to designate Improvement Area No. 1 therein ("Improvement Area No. 1") and Improvement Area No. 2 therein ("Improvement Area No. 2" and, together with Improvement Area No. 1, the "Improvement Areas"), to identify territory proposed for annexation to CFD 22A in the future (the "Future Annexation Area") and to levy special taxes therein to finance certain public improvements (the "Improvements") that will assist in mitigating the impact on the need for public facilities occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

**WHEREAS**, the City Council declares and finds that in order to finance the acquisition and construction of the Improvements, it is necessary to incur bonded indebtedness; and

**WHEREAS**, the purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said public improvements;

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

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

Section 2. The City Council hereby declares that the public convenience and necessity require that bonded indebtedness be incurred to finance the Improvements. The maximum amount of the proposed bonded indebtedness of the City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1 is $22,000,000 and City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2 is $25,000,000. Such amounts include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of CFD 22A for any Improvement Area estimated to be due and payable

within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, underwriter's discount, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, debt service reserve fund sureties or credit instruments, fees for letters of credit, and other credit enhancement costs, and printing costs.

The City expects that the authorization to incur bonded indebtedness for the Future Annexation Area annexed as a separate Improvement Area (a "Future Improvement Area") shall be specified and be approved by the unanimous consent and approval ("Unanimous Approval") of the owner or owners of the parcel or parcels at the time of such annexation.

Section 3. The City Council hereby sets Tuesday, September 22, 2026, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for a hearing by the City Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the proposed community facilities district, will be heard.

Section 4. It is the intention of this City Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982.

Section 5. The City Clerk of the City of Folsom shall have a copy of the Notice of Public Hearing published pursuant to the Resolution of Intention.

Section 6. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

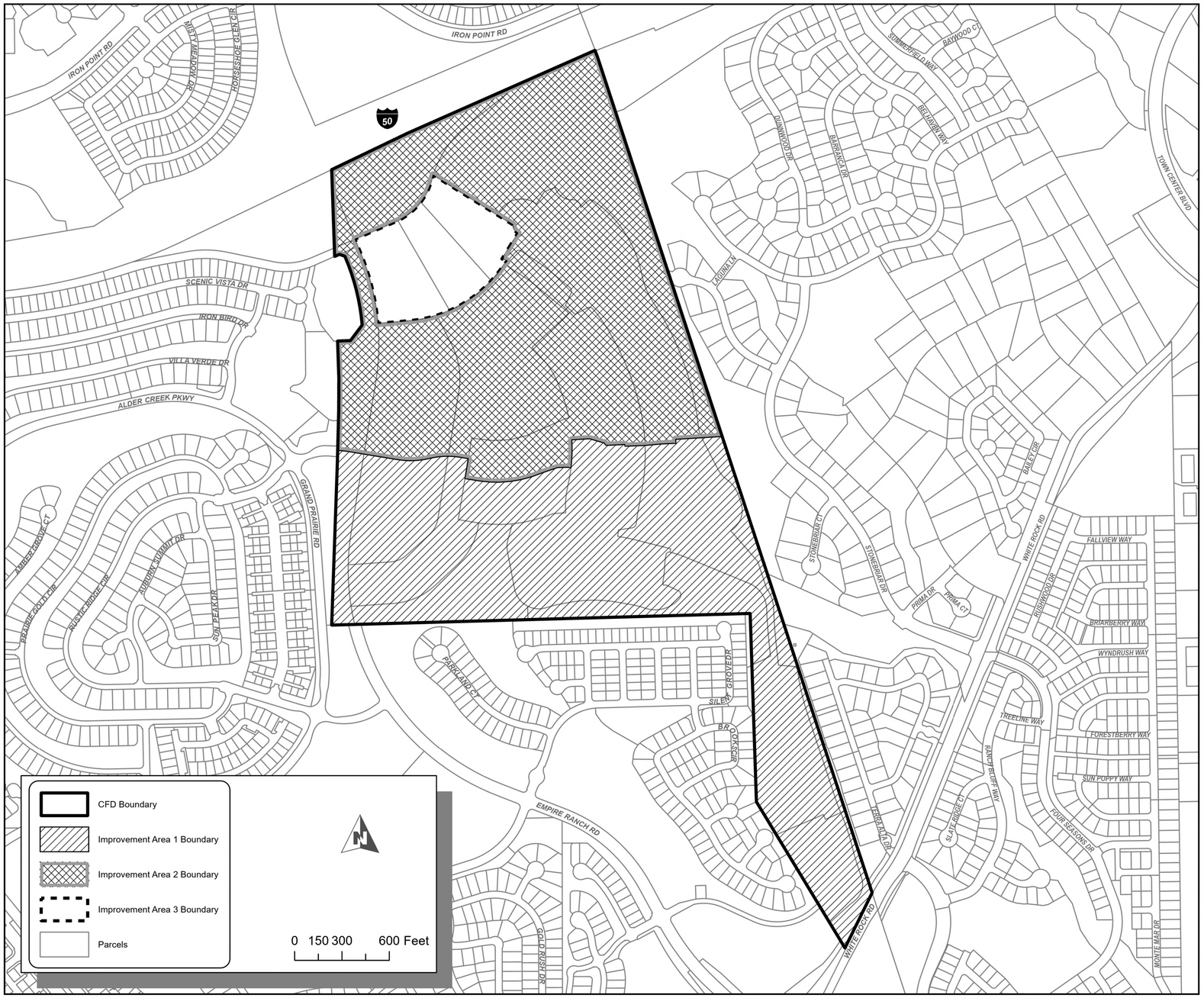
ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 3

# MAP OF PROPOSED BOUNDARIES
# CITY OF FOLSOM
# COMMUNITY FACILITIES DISTRICT NO. 22A
# (FOLSOM HEIGHTS)

## CITY OF FOLSOM
## COUNTY OF SACRAMENTO
## STATE OF CALIFORNIA




FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS _____ DAY OF _____, 20_____.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

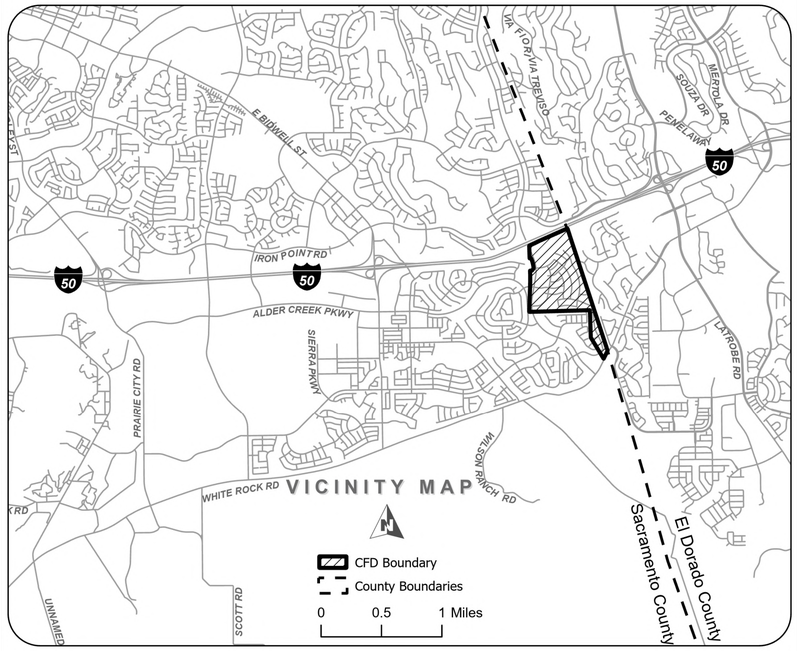
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20_____, BY ITS RESOLUTION NO._____.

_____
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, 202_____, AT THE HOUR OF _____ O'CLOCK ____M, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF SACRAMENTO, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.




*Source: Sacramento County GIS*
*Geographic Coordinate Reference: GCS North American 1983*
*Projection: NAD 1983 StatePlane California II FIPS 0402 Feet*

NBS

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | New Business |
| **ITEM TITLE:** | Resolution No 11686 – A Resolution Authorizing the City Manager to Execute a Purchase and Sale Agreement with Lakeside Church in the Amount of $7.1 Million for the Purchase of ~6.69 acres at the Northeast Corner of East Bidwell Street and Oak Avenue Parkway and Appropriation of Funds (Folsom Housing Fund 238) |
| **FROM:** | Community Development Department |

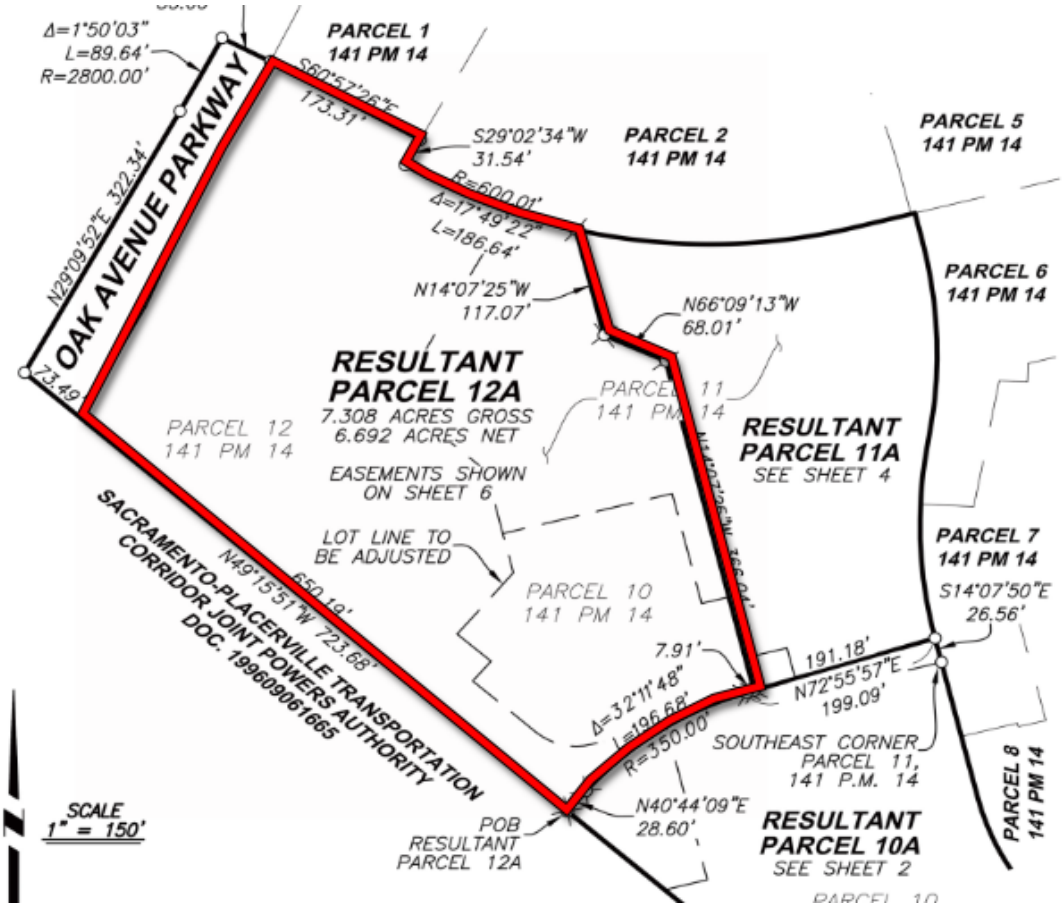
## RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council approve Resolution No 11686 – A Resolution Authorizing the City Manager to Execute a Purchase and Sale Agreement with Lakeside Church in the Amount of $7.1 Million for the Purchase of ~6.69 acres at the Northeast Corner of East Bidwell Street and Oak Avenue Parkway and Appropriation of Funds (Folsom Housing Fund 238)

## BACKGROUND / ISSUE

The subject property is an undeveloped site of approximately 6.69 acres located at the northeast corner of East Bidwell Street and Oak Avenue Parkway, adjacent to the existing Lakeside Church campus. The property is approximately one-half mile north of Highway 50 along East Bidwell Street and immediately adjacent to the Los Rios Community College campus. Lakeside Church owns several parcels surrounding its existing facility and recently completed a lot line adjustment and parcel merger to create the approximately 6.7-acre development site. The property was subsequently listed for sale as a commercial and/or multifamily residential infill opportunity. See vicinity map and parcel map on the following page.

**Vicinity Map**




**Parcel Map**

The property is designated Professional/Office/East Bidwell Mixed Use Overlay in the General Plan and zoned Business Professional–Planned Development. These designations allow commercial and/or multifamily residential development. In addition, the site is identified in the City's Housing Element as one of the inventory sites available to meet the City's Regional Housing Needs Allocation (RHNA) for lower-income housing, with an assumed development capacity of approximately 200 multifamily units.

Housing Element Program H-17 (Study the Purchase of Land for Affordable Housing) directs the City to explore the feasibility of using Housing Trust Fund revenues to acquire land for affordable housing development. If approved, this would represent the third acquisition of land using housing funds for future affordable housing.

Previous acquisitions include:

1. 300 Persifer Street, which was originally acquired in the 1960s and used for various City purposes over several decades. The property was recently transferred to Habitat for Humanity using Housing Trust Fund resources for development of ten for-sale homes affordable to lower-income households.
2. Leidesdorff Site (1.92 acres), which was recently acquired for future affordable housing as part of the long-term redevelopment plan for the Corporation Yard area.

When this property was listed for sale in June 2026, prospective purchasers were required to submit offers by July 15, 2026. At its July 14, 2026, closed session meeting, the City Council directed staff to submit an offer and negotiate the purchase of the property using Housing Fund resources given the site's strategic importance from an infrastructure planning perspective and as a potential student housing site adjacent to the community college campus.

Following Council direction, staff submitted an offer on July 15, 2026, contingent upon completion of an appraisal. According to the listing broker, the seller received 12 offers (including the City's), primarily from affordable multifamily housing developers. Following additional negotiations, the City's offer was accepted, subject to appraisal and formal City Council approval. Adoption of the proposed resolution authorizes completion of the purchase and allocation of housing funds.

Acquisition of the property advances multiple Housing Element goals, policies, and programs. Ownership of the site will allow the City to control the timing of development as infrastructure improvements are completed and to identify the most appropriate development partner to ensure the project meets community needs and is compatible with surrounding development.

The City retained Colliers to prepare an independent appraisal of the property. The appraisal supports a market value of $7.0 million. The negotiated purchase price of $7.1 million is a qualifying expenditure under the Folsom Housing Fund and is well within the fund's approximately $22 million unencumbered balance.

## POLICY / RULE

In 2013, the City established an inclusionary housing in-lieu fee to support affordable housing through the Folsom Housing Fund (Fund 238). As originally adopted, the fee equaled one percent of the sales price of the lowest-priced home within a subdivision multiplied by the total number of units. In 2025, following completion of a Nexus study, the City Council revised the methodology to a square-footage-based fee while maintaining a generally comparable level of revenue.

Pursuant to a legal agreement with the Sacramento Housing Alliance, at least 50 percent of the fees collected must be used to fund the construction or substantial rehabilitation of multifamily rental housing affordable to low- and very low-income households. The acquisition and disposition of land for affordable housing development are eligible uses of Fund 238.

## ANALYSIS

State Housing Element Law (Government Code Section 65580) requires local jurisdictions to adequately plan for the housing needs of all economic segments of the community. The City of Folsom Housing Element, adopted in August 2021, identifies the City's housing needs based on the Regional Housing Needs Allocation (RHNA) prepared by the Sacramento Area Council of Governments (SACOG).

SACOG assigned Folsom a RHNA of 6,363 housing units between 2021 and 2029, including 2,226 very low-income units and 1,341 low-income units. The Housing Element assumes that a substantial portion of these lower-income housing needs will be met through multifamily rental housing.

In August 2025, staff presented the City Council with a mid-cycle Housing Element implementation update. As part of that presentation, staff summarized RHNA progress and reviewed expenditures from the City's housing funds.

| Income Level | RHNA Allocation | Progress to Date | Remaining RHNA |
|---|---|---|---|
| Very Low (0 - 50% AMI) | 2,226 | 225 | 2,001 |
| Low (51 - 80% AMI) | 1,341 | 347 | 994 |
| Moderate (81 – 120% AMI) | 829 | 817 | 12 |
| Above Moderate (> 120% AMI) | 1,967 | 3,473 | -- |
| **Total** | **6,363** | **4,862** | **3,007** |

Since 2019, the City Council has approved approximately $13.7 million in long-term, low-interest loans to support financing gaps for more than 550 deed-restricted affordable housing units across six multifamily affordable housing developments. In addition to providing affordable housing loans, Fund 238 may be used for Housing Element implementation, housing programs, and the acquisition or disposition of land for affordable housing.

At its August 2025 meeting, the City Council expressed interest in using Fund 238 to acquire appropriately zoned multifamily sites and to partner with affordable housing developers on City-owned property.

Acquisition of the subject property directly advances several Housing Element goals, policies, and programs. Specifically, ownership of the property helps ensure that a site identified in the Housing Element inventory is ultimately developed with lower-income housing (Goal H-1) in a location that provides convenient access to transit, employment, commercial services, schools, and other community amenities (Policy H-1.2). Housing Element Programs H-16 and H-17 specifically encourage the use of Housing Trust Fund resources to acquire land for affordable housing and facilitate affordable housing development on City-owned sites.

Any future development proposal would remain subject to all applicable public review processes, City development standards, environmental review, and discretionary approvals.

A key advantage of this acquisition is the site's location adjacent to the Los Rios Community College campus, where affordable student housing demand is high and supply is limited. This objective is reflected in General Plan Land Use Policy 3.1.8 (College District), which states:

> "Encourage development of a vibrant, walkable district centered around Folsom Lake College and East Bidwell Street adjacent to the Broadstone District that includes higher density residential, retail, and daily service uses for employees and residents as well as students, faculty, and staff."

While Los Rios is not currently pursuing on-campus student housing, future partnerships with private developers to provide off-campus student housing remain a viable opportunity. Given the site's proximity to the campus and its potential for direct pedestrian and vehicle connections, staff will continue to explore opportunities to incorporate affordable student housing—and potentially faculty and staff housing—as part of future development of the property.

The City's appraisal, prepared by Colliers (Attachment 2), concludes with an estimated market value of $7.0 million based on accepted appraisal methodology and comparable sales. Given the site's development readiness, exceptional location, and access to employment, transit, schools, commercial services, and Highway 50, the property generated substantial market interest, including offers from numerous affordable housing developers.

Recognizing the strategic public benefits associated with long-term ownership and coordinated development, City staff negotiated a purchase price of $7.1 million. This modest premium above the appraised value reflects the significant public value of controlling both the timing and type of future affordable housing development at this important location. In addition to advancing Housing Element implementation, acquisition of the property provides the City with greater control over future development in a key corridor adjacent to the Los Rios Community College campus. Given recent State housing legislation that has reduced local discretion over higher-density housing near transit, City ownership will allow thoughtful planning to ensure future development is compatible with surrounding land uses while addressing community housing needs.

Staff recommends that the City Council authorize the City Manager to execute the Purchase and Sale Agreement with Lakeside Church at the negotiated purchase price of $7.1 million with the following key terms:

1. Purchase Price ($7.1 million) and deposit amounts (1% of purchase price)
2. Inspection (Due Diligence) Period – 45 days
3. Closing Date – 15 days after expiration of the Inspection Period
4. Monument Sign – Seller desire to relocate existing monument sign near the intersection along the edge of the parcel with an easement granted for agreed upon sign location contingent on receiving required City approvals
5. Expenses – Seller pays broker fees, parties split escrow costs, seller pays for title policy, and buyer pays for any endorsements
6. Default remedies – if seller defaults in reps and warranties or its obligation to close prior to the closing date, buyer can seek specific performance plus costs and expenses or terminate the agreement and have the deposit returned plus transaction expenses up to $25,000. For other defaults (such as a breach of representation after closing) buyer may only bring a claim if the damages are over $25,000 and damages are capped at $250,000.

See Attachment 3 for Purchase and Sale Agreement.

## FINANCIAL IMPACT

The purchase of the property for $7.1 million will be funded by the Folsom Housing Fund (Fund 238), which has sufficient available resources to complete the acquisition. Acquisition of land for affordable housing is an eligible expenditure under Fund 238 and directly implements Housing Element Program H-17.

## ENVIRONMENTAL REVIEW

Staff have reviewed the proposed property acquisition pursuant to the California Environmental Quality Act (CEQA) and determined that the action is exempt under CEQA Guidelines Section 15061(b)(3), commonly referred to as the Common Sense Exemption.

The proposed action consists solely of the acquisition of real property and will not result in any physical change to the environment. The property is currently vacant, and the acquisition does not approve or authorize any development, grading, or construction activity. Future development of the site will require separate environmental review and compliance with the City's zoning regulations and CEQA, as applicable.

The property's General Plan and zoning designations will remain unchanged, and the site will continue to serve as an identified Housing Element inventory site for lower-income RHNA obligations. Accordingly, it can be seen with certainty that the proposed acquisition has no potential to result in a significant environmental impact and is therefore exempt from CEQA.

**ATTACHMENTS**

1. Resolution No 11686 – A Resolution Authorizing the City Manager to Execute a Purchase and Sale Agreement with Lakeside Church in the Amount of $7.1 Million for the Purchase of ~6.69 acres at the Northeast Corner of East Bidwell Street and Oak Avenue Parkway and Appropriation of Funds (Folsom Housing Fund 238)
2. Appraisal
3. Purchase and Sale Agreement

Submitted,

Pam Johns
Community Development Director

# ATTACHMENT 1

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH LAKESIDE CHURCH IN THE AMOUNT OF $7.1 MILLION FOR THE PURCHASE OF ~6.69 ACRES AT THE NORTHEAST CORNER OF EAST BIDWELL STREET AND OAK AVENUE PARKWAY AND APPROPRIATION OF FUNDS (FOLSOM HOUSING FUND 238)

# RESOLUTION NO. 11686

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH LAKESIDE CHURCH IN THE AMOUNT OF $7.1 MILLION FOR THE PURCHASE OF ~6.69 ACRES AT THE NORTHEAST CORNER OF EAST BIDWELL STREET AND OAK AVENUE PARKWAY AND APPROPRIATION OF FUNDS (FOLSOM HOUSING FUND 238)

**WHEREAS,** Lakeside Church owns approximately 6.69 acres of undeveloped land located at the northeast corner of East Bidwell Street and Oak Avenue Parkway (the "Property"); and

**WHEREAS,** the Property is designated Professional/Office/East Bidwell Mixed Use Overlay in the City's General Plan and is zoned Business Professional–Planned Development, allowing for commercial and/or multifamily residential development; and

**WHEREAS,** the City of Folsom has identified the Property in its Housing Element as an available site to meet the lower-income Regional Housing Needs Allocation (RHNA) consistent with Housing Element Goal H-1 (Adequate Land Supply for Housing) and Policy H-1.2 (Location of Higher-Density Housing Sites); and

**WHEREAS,** Housing Element Program H-17 (Study the Purchase of Land for Affordable Housing) states that the City shall explore the feasibility and appropriateness to establish a program to use housing trust fund money or other sources to purchase land to support the development of affordable housing dispersed throughout the city; and

**WHEREAS,** acquisition of the Property will further the goals, policies, and programs of the City's Housing Element by preserving a strategically located site for future affordable housing development and providing the City with the ability to guide the timing, type, and quality of future development in a manner consistent with community needs; and

**WHEREAS,** the Property is located adjacent to the Los Rios Community College campus, creating opportunities to explore future partnerships for affordable housing, including potential student and workforce housing; and

**WHEREAS,** the City retained Colliers to prepare an independent appraisal of the Property, which concluded an estimated market value of $7.0 million; and

**WHEREAS,** the negotiated purchase price of $7.1 million reflects the strategic public benefit of acquiring and preserving the Property for future affordable housing purposes and is supported by the significant market demand for the site; and

**WHEREAS,** the purchase of the Property would be funded by the City’s Housing Fund 238, which has sufficient funds available to cover the cost of the purchase; 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 finds that the acquisition of the Property is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption).

Finding. The acquisition of the Property is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

Evidence. There is no possibility that the acquisition of the Property will result in a physical change in the environment. The Property consists of vacant land designated for commercial and/or multifamily residential development and assumed to accommodate ~200 units in the RHNA. The acquisition of the Property does not approve any development project, nor does it disturb the physical environment. The proposed action now is simply a transfer of property ownership. Any future development of the site would be subject to review under FMC Title 17 (Zoning) and CEQA. No change in zoning or allowed use is proposed. The sites are listed in the Housing Element as available to meet the City's lower income RHNA and none of those designations or the associated underlying assumptions will change as a part of this agreement. Therefore, the proposed purchase is exempt from CEQA review.

**BE IT FURTHER RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute a Purchase and Sale Agreement with Lakeside Church in the amount of $7.1 Million for the purchase of ~6.69 acres at the northeast corner of East Bidwell Street and Oak Avenue Parkway with funds allocated from the Folsom Housing Fund (Fund 238).

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate $7.1 million for this agreement. The appropriation will be made in the Folsom Housing Fund (Fund 238).

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

# ATTACHMENT 2

## APPRAISAL

Valuation & Advisory Services

Colliers

# Vacant BP Zoned Land

701 Oak Avenue Parkway
Folsom, California 95630

## APPRAISAL REPORT

Date of Report: August 5, 2026
Colliers File Number: SMF260804

*Prepared for*

Pam Johns
Community Development Director
**City of Folsom**
50 Natoma Street
Folsom, CA 95630

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Accelerating success.

# Letter of Transmittal

August 5, 2026

Pam Johns
Community Development Director
**City of Folsom**
50 Natoma Street
Folsom, CA 95630

**RE:** Vacant BP Zoned Land
701 Oak Avenue Parkway
Folsom, California 95630

Colliers File #: SMF260804

Ms. Johns:

This appraisal report satisfies the scope of work and requirements agreed upon by City of Folsom and Colliers Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

| Value Type | Interest Appraised | Date of Value | Value |
|---|---|---|---|
| As-Is Market Value | Fee Simple | July 31, 2026 | $7,000,000 |

The subject consists of a vacant parcel of land that is zoned BP – Business Professional and is slated for future multi-family development. The subject site will contain 6.69-net acres (291,416 SF) or a 7.31-gross acre (318,249 SF) site at 701 Oak Avenue Parkway in Folsom, California.

Currently, there are three vacant parcels and the APN's are as follows: 072-1310-010, 011 & 012. There is a proposed lot line adjustment in which the resultant parcel will encompass approximately 6.69 net acres. According to the client, the lot line adjustment was approved and parcel merger was recorded on July 16, 2026. However, the new parcel map has yet not been created.

The subject property is currently listed for sale, but is not in contract at this time. The subject is being marketed for sale by Peter Nixon with Newcastle Properties Group and the asking price is $6,835,000 or $23.45/SF. The broker indicated that the subject was on the market for about 6 weeks and during that time, the broker received 11 offers. Six of the offers were full price offers at $6,835,000. There were a few offers below the asking price. There are two offers at $7,100,000. All of the offers came from affordable housing developers. The city of Folsom originally submitted a full price offer, but later submitted a higher offer at $7,100,000. The as is value in this appraisal is slightly below the $7,100,000 offer price by the City of Folsom, but is above the asking price and above some of the offers made by other buyers.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the appraisal guidelines of City of Folsom.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

## Extraordinary Assumptions

The land area is based upon the Sacramento County recorded parcel merger and lot line adjustment document. The land area indicated in this report is based upon lot line adjustment map and is assumed to be accurate. An ALTA survey was not provided for this appraisal. This appraisal assumes the land area is correct. A change to this assumption could impact the assignment results.

Colliers International has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks, which may be present on or near the site. The existence of hazardous materials or underground storage tanks may influence the value of the property. For this appraisal, Colliers International has specifically assumed that any hazardous materials and/or underground storage tanks do not affect the property, which may be present on or near the property.

## Hypothetical Conditions

None

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

## Colliers Valuation & Advisory Services

Joe Esparza, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of California License #AG031186
+1 916 724 5582
joe.esparza@colliers.com

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## Executive Summary

| General Information | |
|---|---|
| **Property Name** | Vacant BP Zoned Land |
| **Property Type** | Land - Multi-Family Land |
| **Address** | 701 Oak Avenue Parkway |
| **City** | Folsom |
| **State** | California |
| **Zip Code** | 95630 |
| **County** | Sacramento |
| **Core Based Statistical Area (CBSA)** | Sacramento--Roseville--Arden-Arcade, CA |
| **Market** | Sacramento |
| **Submarket** | Folsom |
| **Latitude** | 38.664394 |
| **Longitude** | -121.135398 |
| **Number Of Parcels** | 1 |
| **Assessor Parcel** | 072-1310-010 |
| **Total Taxable Value** | $2,174,772 |
| **Census Tract Number** | 85.10 |

| Site Information | | |
|---|---|---|
| **Land Area** | **Acres** | **Square Feet** |
| Usable | 6.69 | 291,416 |
| Unusable | 0.62 | 26,833 |
| Excess | 0.00 | 0 |
| Surplus | 0.00 | 0 |
| **Total** | **7.31** | **318,249** |
| **Topography** | Level at street grade | |
| **Shape** | Irregular | |
| **Access** | Average | |
| **Exposure** | Average | |
| **Current Zoning** | Business Professional-Planned Development (BP-PD) | |
| **Overlay District** | East Bidwell Mixed Use | |
| **Flood Zone** | Zone X (Shaded) | |
| **Seismic Zone** | Moderate Risk | |

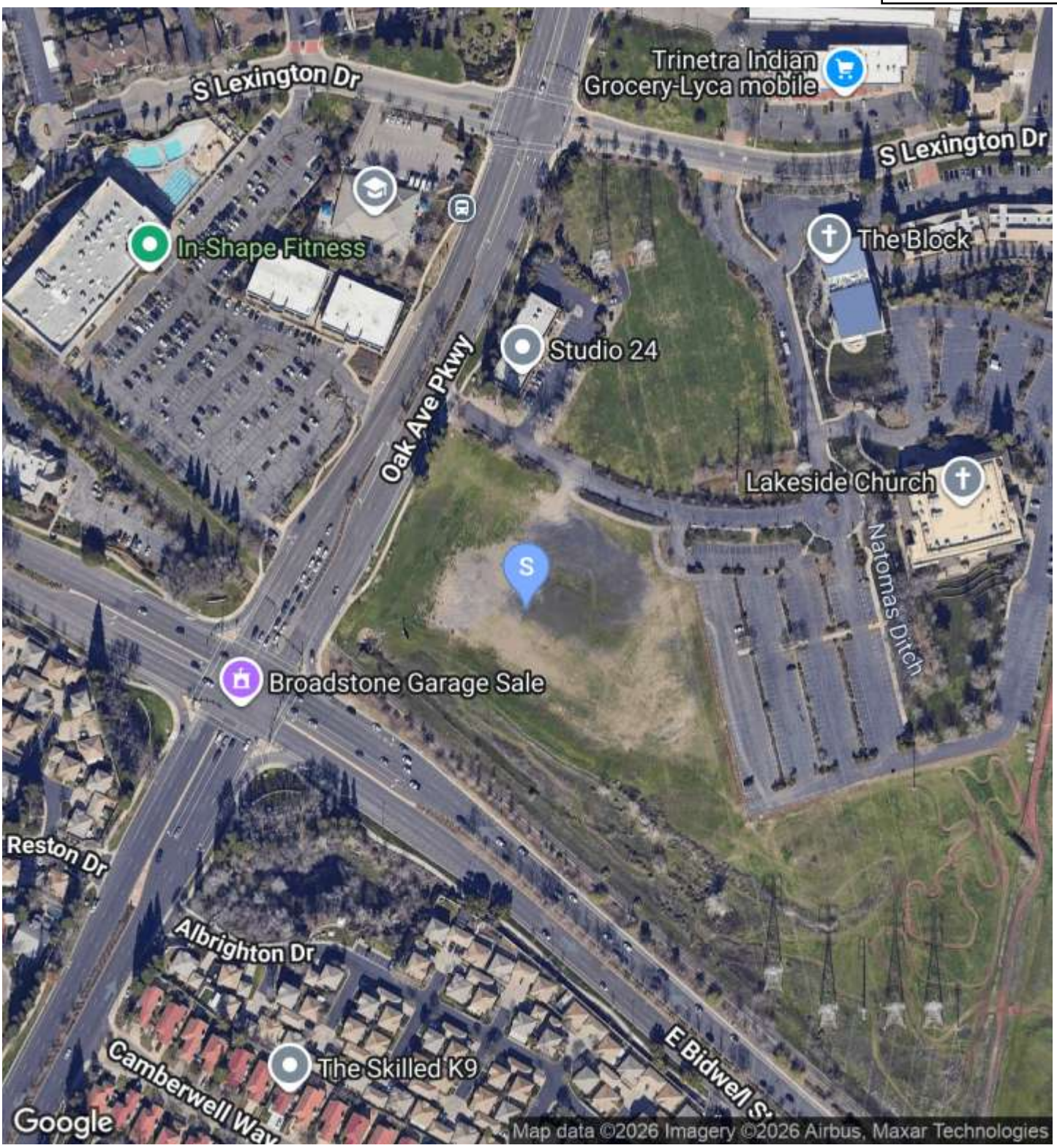
| Highest & Best Use | |
|---|---|
| **As Vacant** | Mixed Use Development As Market Conditions Warrant |

| Exposure Time & Marketing Period | |
|---|---|
| **Exposure Time** | Six Months or Less |
| **Marketing Period** | Six Months or Less |

| Valuation Summary | |
|---|---|
| **Valuation Indices** | **As-Is Market Value** |
| **Interest Appraised** | **Fee Simple** |
| **Date of Value** | **July 31, 2026** |

| Final Value Conclusion | |
|---|---|
| **Final Value** | **$7,000,000** |
| $/SF | $24/SF |

| Land Valuation | |
|---|---|
| **Land Value** | **$7,000,000** |
| Value/SF | $24.00 |


S Lexington Dr
Trinetra Indian Grocery-Lyca mobile
S Lexington Dr
In-Shape Fitness
The Block
Studio 24
Oak Ave Pkwy
Lakeside Church
Natomas Ditch
Broadstone Garage Sale
Reston Dr
Albrighton Dr
E Bidwell St
The Skilled K9
Camberwell Way
Google
Map data ©2026 Imagery ©2026 Airbus, Maxar Technologies

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**View of Subject Site**

**Rail Line**

**View of E Bidwell Street**

**View of Oak Avenue Parkway**

## Property Identification

The subject property consists of a vacant parcel of land that is zoned BP-PD and contains 6.69 net acres or 7.31 gross acres located at the NEC of Oak Avenue Parkway and E Bidwell Street in Folsom, Sacramento County, California. There are three parcels are 072-1310-010, 011 & 012. However, these three parcels will be merged and a new lot line adjustment will be performed to create a 6.69 net acre parcel. The parcel merger was recorded by the County, but the parcel map has not been created.

The Sacramento County Assessor's Parcel numbers are: 072-1310-010, 011 & 012.

The legal description of the subject property is as follows: The following legal description shows the resultant parcel totaling 7.308 gross acres.

**RESULTANT PARCEL 12A**

All that portion of Parcels 10, 11, and 12 as shown on the "Parcel Map of Lexington Hills Business Park" filed in Book 141 of Parcel Maps, Map No. 14, in the office of the Sacramento County Recorder, in the City of Folsom, County of Sacramento, State of California, lying North and West of the following described line:

Beginning at a point on the Southwest line of said Parcel 12, from which the Southeast corner of said Parcel 11 bears the following 4 courses:

1) North 40°44'09" East 28.60 feet to the beginning of a 350.00 foot radius tangent curve to the right,
2) Along said curve through a central angle of 32°11'48" a distance of 196.68 feet,

3) North 72°55'57" East 199.09 feet to the East line of said Parcel 11,
4) Along said East line, South 14°07'50" East 26.56 feet.

Thence, from said Point of Beginning, North 40°44'09" East 28.60 feet to the beginning of a 350.00 foot radius tangent curve to the right;

Thence, along said curve through a central angle of 32°11'48" a distance of 196.68 feet;

Thence, North 72°55'57" East 7.91 feet;

Thence, North 14°07'25" West 366.04 feet;

Thence, North 66°09'13" West 68.01 feet;

Thence, North 14°07'25" West 117.07 feet to a point on the North line of said Parcel 11.

Containing, 7.308 acres, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

Resultant Parcels 10A, 11A and 12A are subject to Notes and Dedications per said "Parcel Map of Lexington Hills Business Park"

Together with Reciprocal Easements for Ingress, Egress, Sewer, Drain and Utilities, on, over, across, and under the Parcels owned by the owners shown hereon, Lakeside Church. (Resultant Parcel 2 per 20031106 O.R. 1497 and Parcels 4 through 12 per 141 P.M. 14)

LICENSED PROFESSIONAL SURVEYOR
BRADEN D. BARNUM
No. 8507
EXP. 12-31-26
STATE OF CALIFORNIA

5-1-2026

## Scope of Work

The scope of work for this appraisal assignment is outlined below:

The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.

- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- The appraiser completed an office and multi family supply/demand market analysis of the Sacramento market and Folsom sub-market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved.

- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the land sales comparison approach to value, which were adjusted and reconciled as appropriate.
- Technological tools, including closed-end Artificial Intelligence (AI) operating within controlled and secure environments, were utilized in the development of this appraisal report. The use of AI is limited to research of publicly available information in the regional and local market analysis sections of the report. Safeguards are in place to mitigate risks of bias, discrimination, or unlawful outcomes. In accordance with USPAP, the integrity and confidentiality of all non-public information is maintained and is neither shared with nor used to train or enhance any tool. AI-generated content is independently reviewed and approved by the appraiser(s) prior to inclusion and remains subject to their professional judgment. Any broader use of AI beyond this scope will be disclosed as necessary to avoid a misleading report.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

## Sources of Information

The following sources were contacted to obtain relevant information:

**Sources of Information**

| Item | Source |
|---|---|
| Tax Information | Sacramento County Tax Collector |
| Zoning Information | City of Folsom Zoning Code |
| Site Size Information | Sacramento County Assessor's Parcel Map |
| Flood Map | Realquest |
| Demographics | Esri ArcGIS® |
| Legal Description | Grant Deed |

## Subject Property Inspection

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

**Subject Property Inspection**

| Appraiser | Inspected | Extent | Date of Inspection |
|---|---|---|---|
| Joe Esparza, MAI | Yes | Site Only | July 31, 2026 |

The subject site was inspected on July 31, 2026 and was unaccompanied during the site visit.

## Client Identification

The client of this specific assignment is City of Folsom.

## Purpose

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

## Intended Use

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone. This report is specifically not intended for any litigation, arbitration, or any other alternative dispute resolution purposes.

## Intended Users

Intended users of this report include City of Folsom. Use of this report by third parties and other unintended users is not permitted. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

## Assignment Dates

| | |
|---|---|
| Date of Report | August 5, 2026 |
| Date of Inspection | July 31, 2026 |
| Valuation Date - As-Is | July 31, 2026 |

## Personal Intangible Property

No personal property or intangible items are included in this valuation.

## Property and Sales History

### Current Owner

The subject title is currently recorded in the name of Lakeside Church. This entity acquired the site in December 1997.

### Three-Year Sales History

The subject has not sold within the past three years.

### Subject Sale Status

The subject property is currently listed for sale, but is not in contract at this time. The subject is being marketed for sale by Peter Nixon with Newcastle Properties Group and the asking price is $6,835,000 or $23.45/SF. The broker indicated that the subject was on the market for about 6 weeks and during that time, the broker received 11 offers. Six of the offers were full price offers at $6,835,000. There were a few offers below the asking price. There are two offers at $7,100,000. All of the offers came from affordable housing developers. The city of Folsom originally submitted a full price offer, but later submitted a higher offer at $7,100,000. The as is value in this appraisal is slightly below the $7,100,000 offer price by the City of Folsom, but is above the asking price and above some of the offers made by other buyers.

## Definitions of Value

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda (see Interagency Guidelines definition).

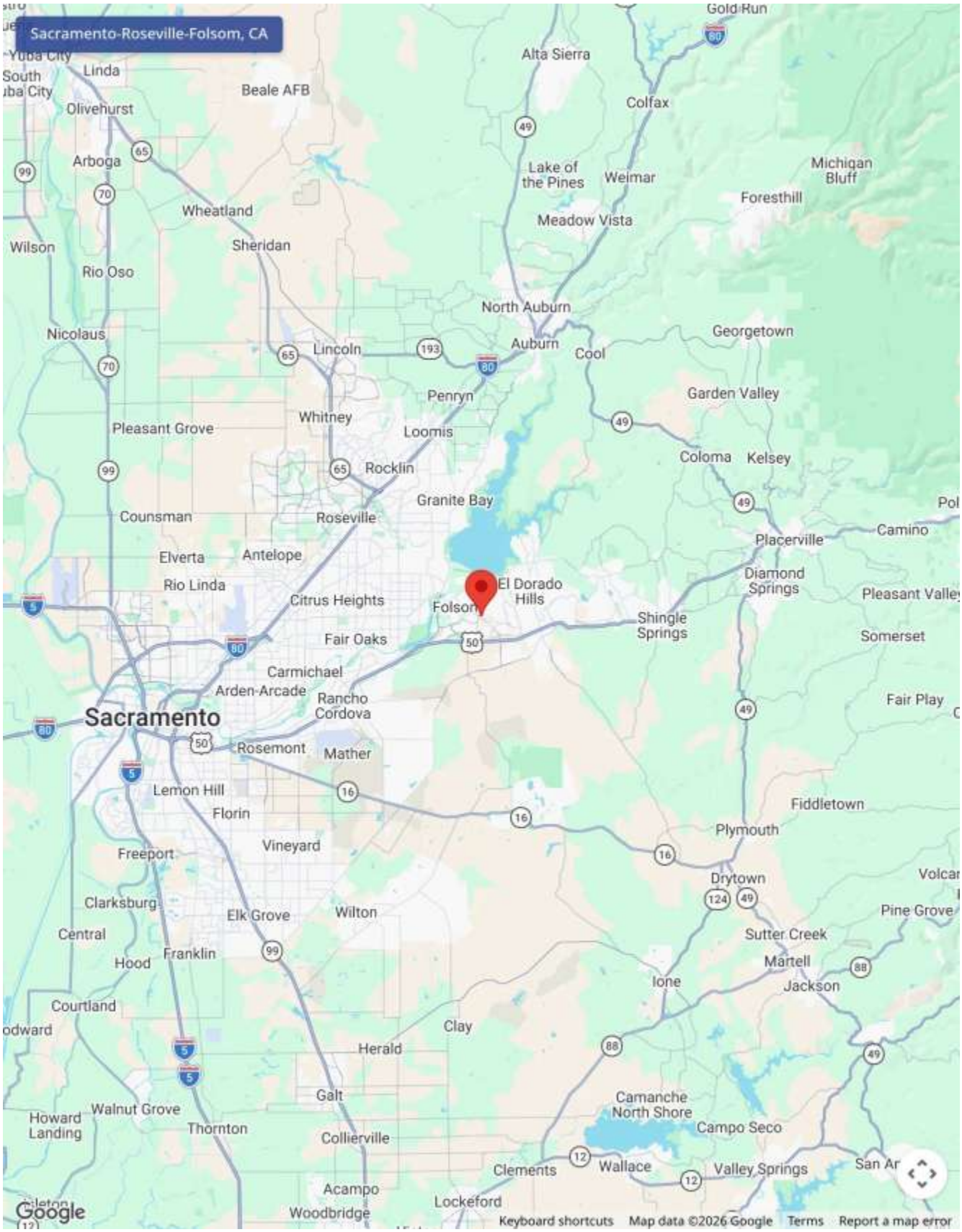
## Property Rights Appraised

The property rights appraised constitute the fee simple interest.

## Value Scenarios

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's fee simple interest.

**Regional Map**



## Sacramento-Roseville-Folsom, CA

The subject property is located within the State of California in the Sacramento-Roseville-Folsom, CA Core Based Statistical Area (CBSA). The subject's region is the 27th most populous within the United States.

### Demographics

The following table provides a regional demographic overview, the regional trends and overall impact on the subject property.

| Demographics | U.S. | State | CBSA | CBSA Insights |
|---|---|---|---|---|
| 2020 Total Population | 331,449,281 | 39,538,223 | 2,397,382 | Projected Rate **Above US Avg.** |
| 2026 Total Population | 343,528,394 | 39,812,276 | 2,500,020 | |
| 2020-2026 Growth Rate: Population | 0.6% | 0.1% | 0.7% | |
| 2031 Total Population | 351,813,408 | 40,153,869 | 2,566,552 | |
| 2026-2031 Growth Rate: Population | 0.5% | 0.2% | 0.5% | |
| 2020 Family Households | 82,828,617 | 9,296,271 | 586,988 | Projected Rate **Above US Avg.** |
| 2026 Family Households | 85,751,035 | 9,380,338 | 606,365 | |
| Annual Change | 0.9% | 0.5% | 0.9% | |
| 2031 Family Households | 88,391,130 | 9,556,020 | 626,284 | |
| Annual Change | 0.6% | 0.4% | 0.7% | |
| 2020 Average Household Size | 2.55 | 2.87 | 2.70 | Current Level **Above US Avg.** |
| 2026 Average Household Size | 2.49 | 2.80 | 2.66 | |
| 2031 Average Household Size | 2.47 | 2.77 | 2.64 | |
| 2026 Average Household Income | $122,692 | $151,302 | $139,165 | Current Level **Above US Avg.** |
| 2031 Average Household Income | $138,579 | $169,263 | $156,095 | |
| Annual Change | 2.59% | 2.37% | 2.43% | |
| 2026 Per Capita Income | $48,241 | $53,106 | $51,432 | |
| 2031 Per Capita Income | $55,073 | $60,118 | $58,166 | |
| Annual Change | 2.68% | 2.51% | 2.49% | |
| 2025 Cost of Living Index | | | 103 | |
| 2026 Median Home Value | $376,272 | $783,218 | $640,536 | **Above US Avg.** |
| 2031 Median Home Value | $456,370 | $915,926 | $744,836 | |
| 2026 Owner Occupied HUs | 85,987,568 | 7,614,006 | 571,278 | % Renters **Consistent with US** |
| % Total Housing Units | 64% | 55% | 62% | |
| 2026 Renter Occupied HUs | 48,409,994 | 6,288,576 | 347,876 | |
| % Total Housing Units | 36% | 45% | 38% | |
| **Overall Impact on Subject Property** | | | | **Positive** |

*Sources: ESRI, U.S. Bureau of Economic Analysis(RPP).*

| 0.7% | 2.66 | 103 | 38% |
|---|---|---|---|
| # Households over next 5 years (CBSA) | Average Household Size (CBSA) | Cost of Living Index (CBSA) (100 = US) | Renter Occupied Housing Units (CBSA) |

**Employment, Labor & Output**

The following table illustrates the regional employment, labor, and output trends and their impact on the subject property. It is noted that GDP is included given it reflects demand for goods and services, but timely data is only available at US level. The region's employer mix highlights variety and depth of major employers.

| Employment, Labor & Output | U.S. | State | CBSA | CBSA Trend |
|---|---|---|---|---|
| Employment (2025) | 161,586,000 | 18,667,830 | 1,141,005 | Above US Avg. |
| Employment Growth (Last 10 Years) | 9.1% | 7.2% | 16.6% | |
| Unemployment Rate (5 years prior) | 3.6% | 3.9% | 3.3% | Above US Avg. |
| Unemployment Rate (6 months prior) | 4.1% | 5.5% | 4.8% | |
| Unemployment Rate | 4.1% | 5.1% | 4.5% | |
| Labor Force Participation | 63.5% | 63.7% | 62.7% | Below US Avg. |
| % Labor Force With HS Diploma | 45.3% | 39.9% | 44.4% | Above US Avg. |
| % Labor Force with College Degree (or higher) | 31.5% | 32.5% | 32.7% | |
| Gross Domestic Product (Last 4 Quarters) | | | | Consistent with US |
| Current Quarter | 2.1% | | | |
| Current Quarter minus 1 | 0.5% | | | |
| Current Quarter minus 2 | 0.5% | | | |
| Current Quarter minus 3 | 0.5% | | | |
| **Overall Impact on Subject Property** | | | | **Neutral** |

*Sources: BLS*

**Top 10 Employment Sectors**

| Sector | Estimated Employees |
|---|---|
| Office and Administrative Support | 117,770 |
| Food Preparation and Serving Related | 91,850 |
| Business and Financial Operations | 90,990 |
| Sales and Related | 79,320 |
| Transportation and Material Moving | 78,130 |
| Healthcare Support | 76,480 |
| Educational Instruction and Library | 65,400 |
| Healthcare Practitioners and Technical | 63,690 |
| Construction and Extraction | 55,040 |
| Home Health and Personal Care Aides | 52,930 |

**Top 10 Major Employers**

| Employer | Estimated Employees |
|---|---|
| State of California | 110,000 |
| UC Davis Health | 18,000 |
| Kaiser Permanente | 15,000 |
| Intel Corporation | 6,000 |
| Dignity Health | 5,500 |
| Sutter Health | 5,000 |
| Sacramento County | 4,500 |
| City of Sacramento | 4,000 |
| Sacramento Municipal Utility District | 2,200 |
| Health Net | 2,000 |

*Sources of the Top 10 Employment Sectors: US Bureau of Labor Statistics. Sources of the Top 10 Major Employers: Sacramento Business Journal Book of Lists, California Employment Development Department, Sacramento Area Commerce and Trade Organization.*

| 16.6% | 4.5% | 32.7% | 2.1% |
|---|---|---|---|
| Employment Growth (CBSA) | Unemployment Rate (CBSA) | College Educated Labor (CBSA) | Gross Domestic Product (US) |

## Infrastructure & Public Services

### Airports

The airports serving the region are shown below.

| Airport Name | IATA Code | Airport Type | Passenger Enplanements | Passenger Rank | Cargo Weight | Cargo Rank | Distance (miles) |
|---|---|---|---|---|---|---|---|
| Sacramento International Airport | SMF | International | 13,912,718 (2025) | | | | 31 |
| Sacramento Executive Airport | SAC | General Aviation | | | | | |
| Mather Airport | MHR | General Aviation | | | | | |
| Auburn Municipal Airport | AUN | General Aviation | | | | | |
| Placerville Airport | PVF | General Aviation | | | | | |

*Sources: FAA, Airport websites*

### Interstate & Major Highways

The interstate highways serving the region are shown below.

| Interstate | Local Name | Direction | Connects To |
|---|---|---|---|
| I-80 | | East-West | San Francisco Bay Area to Teaneck, New Jersey, passing through Sacramento, CA |
| US-50 | El Dorado Freeway | East-West | West Sacramento to Ocean City, Maryland, passing through Folsom, CA and South Lake Tahoe |
| I-5 | | North-South | Canada to Mexico, passing through Sacramento, CA |

*Sources: DOT, State transportation maps*

### Railways

The rail services serving the region are shown below.

| Rail | Operator | Overview |
|---|---|---|
| Light Rail (Gold Line) | Sacramento Regional Transit District (SacRT) | Connects Folsom to downtown Sacramento and other regional destinations. Operates with 15-minute frequency on weekdays and 30-minute frequency on weekends. |

*Sources: FRA, Rail operator websites*

## Higher Education

The educational institutions serving the region are shown below.

| Type of School | Providers |
|---|---|
| Public School District (K-12) | Folsom-Cordova Unified School District |
| Community College | Folsom Lake College |
| University | California State University Sacramento; University of California Davis; National University; University of Phoenix |
| Private School (Grades 4-12) | Fusion Academy Folsom |

*Sources: IPEDS, School district websites*

## Ports & Waterways

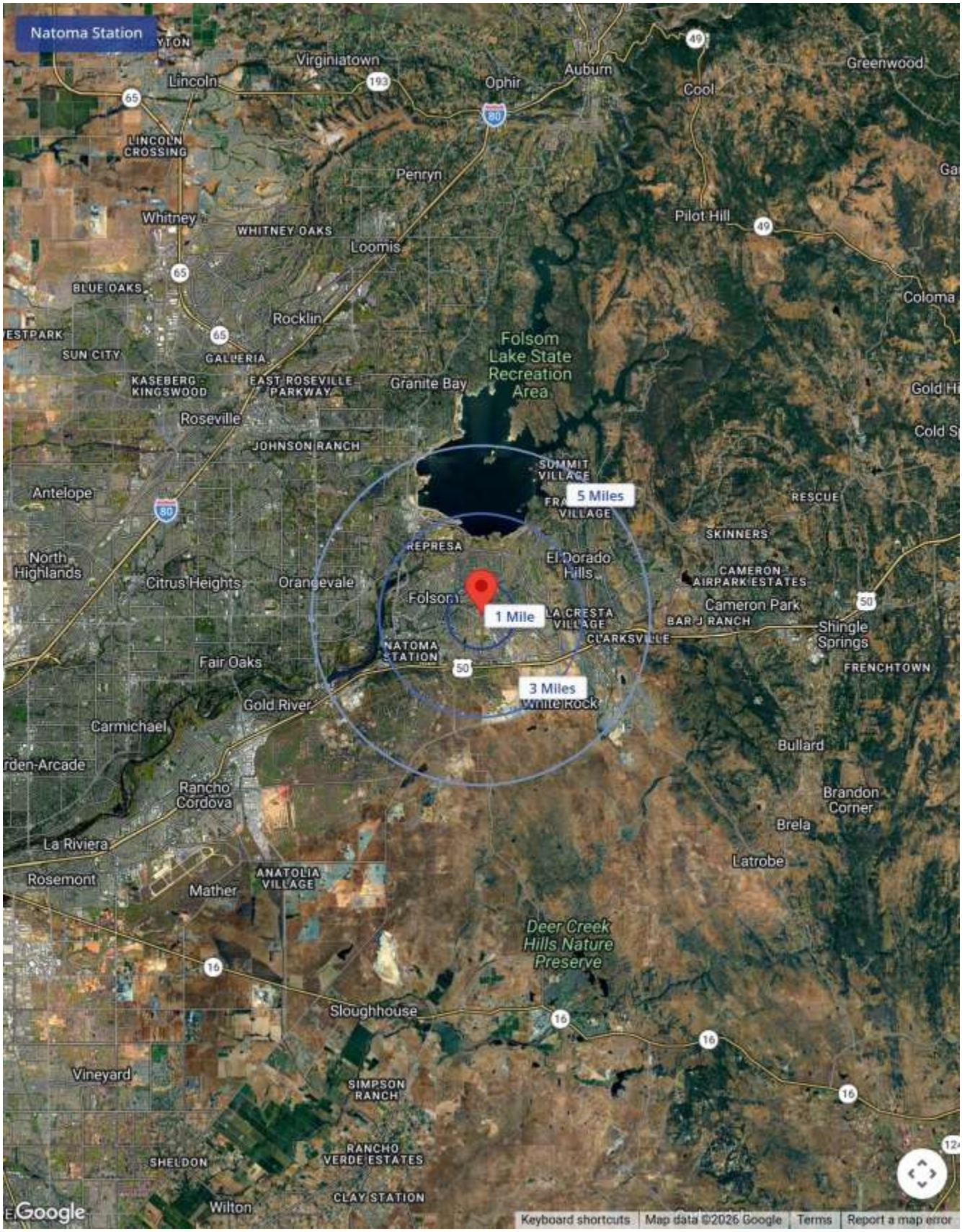
The ports and waterways serving the region are shown below.

| Type | Overview |
|---|---|
| Inland Port | The Port of West Sacramento, also known as the Port of Sacramento, is an inland port located in West Sacramento. It is 79 nautical miles northeast of San Francisco and is centered in the California Central Valley. The port is accessed via the 43-mile long, 30-foot-deep Sacramento Deep Water Ship Channel. It specializes in bulk, break-bulk, agriculture, and construction cargo (no containerization shipments). Primary cargos are rice exports and cement imports. Operations are leased and managed by SSA Marine. |
| Shipping Channel | The Sacramento Deep Water Ship Channel is a 43-mile long, 30-foot deep canal connecting the Port of West Sacramento to the Sacramento River and eventually to San Francisco Bay. The channel is 200 feet wide and was completed in 1963. It primarily handles agricultural products and other bulk goods. |

*Sources: USACE, Port Authority reports*

| Overall Impact on Subject Property | | | Positive |
|---|---|---|---|

**Local Map**


Natoma Station
Virginiatown
Lincoln
Ophir
Auburn
Greenwood
Cool
LINCOLN CROSSING
Penryn
Whitney
WHITNEY OAKS
Loomis
Pilot Hill
BLUE OAKS
Rocklin
Coloma
SUN CITY
GALLERIA
Folsom Lake State Recreation Area
KASEBERG KINGSWOOD
EAST ROSEVILLE PARKWAY
Granite Bay
Roseville
JOHNSON RANCH
SUMMIT VILLAGE
5 Miles
Antelope
RESCUE
SKINNERS
REPRESA
El Dorado Hills
North Highlands
Citrus Heights
Orangevale
CAMERON AIRPARK ESTATES
Folsom
1 Mile
LA CRESTA VILLAGE
Cameron Park
BAR J RANCH
Shingle Springs
CLARKSVILLE
NATOMA STATION
Fair Oaks
FRENCHTOWN
3 Miles
Gold River
Carmichael
Bullard
Rancho Cordova
Brandon Corner
Brela
La Riviera
Latrobe
Rosemont
Mather
ANATOLIA VILLAGE
Deer Creek Hills Nature Preserve
Sloughhouse
Vineyard
SIMPSON RANCH
RANCHO VERDE ESTATES
SHELDON
CLAY STATION
Wilton
Google
Keyboard shortcuts
Map data ©2026 Google
Terms
Report a map error

## Local Area Insights

The subject is located at 701 Oak Avenue Pkwy, Folsom, CA. Its immediate area is commonly referred to as Natoma Station. The following provides insight into the local area and its influence on the subject property. We have placed emphasis on the 5-mile radius as most meaningful for trends in the subject's local area.

### Natoma Station

The following table provides a demographic overview of the local area based on a 1/3/5 mile radius from the subject property. We have placed emphasis on the 5 mile radius as most meaningful for trends in the subject's local area.

| Demographics | 1 Mile | 3 Miles | 5 Miles | Local Insights |
|---|---|---|---|---|
| Land Area (Square Miles) | 3 | 25 | 69 | Suburban |
| Population Density (Pop./Sq. Mile) | 4,733 | 3,535 | 2,211 | |
| 2020 Total Population | 14,484 | 76,702 | 137,546 | Improving |
| 2026 Total Population | 14,752 | 88,465 | 153,180 | |
| Annual Rate Change | 0.4% | 2.4% | 1.7% | |
| 2031 Total Population | 15,077 | 91,407 | 157,022 | |
| Annual Rate Change | 0.4% | 0.7% | 0.5% | |
| 2020 Family Households | 3,851 | 19,125 | 36,153 | Improving |
| 2026 Family Households | 3,847 | 21,983 | 40,061 | |
| Annual Change | 0.4% | 2.5% | 1.9% | |
| 2031 Family Households | 3,945 | 22,873 | 41,404 | |
| Annual Change | 0.5% | 0.8% | 0.7% | |
| 2020 Average Household Size | 2.53 | 2.69 | 2.65 | Stable |
| 2026 Average Household Size | 2.52 | 2.68 | 2.62 | |
| 2031 Average Household Size | 2.52 | 2.67 | 2.60 | |
| 2026 Average Household Income | $182,135 | $205,211 | $198,860 | Projected Rate Improving |
| 2031 Average Household Income | $203,661 | $226,701 | $221,294 | |
| Annual Change | 2.4% | 2.1% | 2.3% | |
| 2026 Per Capita Income | $71,667 | $72,155 | $73,172 | |
| 2031 Per Capita Income | $80,226 | $80,211 | $82,154 | |
| Annual Change | 2.4% | 2.2% | 2.5% | |
| 2026 Median Home Value | $758,432 | $749,494 | $771,281 | Improving |
| 2031 Median Home Value | $843,504 | $843,628 | $861,572 | |
| Owner Occupied Housing Units | 3,214 | 20,995 | 40,695 | Below CBSA |
| % Total Housing Units | 55.59% | 68.60% | 72.97% | |
| Renter Occupied Housing Units | 2,568 | 9,609 | 15,075 | |
| % Total Housing Units | 44.41% | 31.40% | 27.03% | |
| **Overall Impact on Subject Property** | | | | **Neutral** |

*Sources: ESRI*

| 0.7% | 2.62 | 27.03% |
|---|---|---|
| # Households over next 5 years (5 Miles) | Average Household Size (5 Miles) | Renter Occupied Housing Units (5 Miles) |

## Infrastructure & Public Services

### Major Roadways

The major roadways serving the local area are shown below.

| Name | Type | Connectivity | Distance (miles) |
|---|---|---|---|
| Oak Avenue Parkway | Named Avenue / Local Arterial | Connects to residential areas and other local roads. It is a designated commercial truck route for portions within Folsom. | 0.0 |
| East Bidwell Street | Named Street / Commercial Corridor | Major north-south arterial with commercial services. Designated as a local truck route and STAA terminal access route for portions within Folsom. | 0.2 |
| Folsom Boulevard | Named Boulevard / Arterial | Major east-west arterial in Sacramento County, connecting Folsom to Rancho Cordova and Sacramento. Designated as a local truck route and STAA terminal access route. | 2.2 |
| Blue Ravine Road | Named Road / Arterial | Major east-west arterial connecting Folsom Boulevard to the El Dorado County line. Designated as a local truck route. | 2.5 |
| Iron Point Road | Named Road / Arterial | East-west arterial connecting Folsom Boulevard to the El Dorado County line. Designated as a local truck route and STAA terminal access route. | 2.8 |
| Greenback Lane | Named Lane / Arterial | Major east-west arterial in Sacramento County, extending from the Sacramento County line to Folsom Boulevard. Designated as a local truck route. | 4.5 |
| Natoma Street | Named Street / Local Arterial | Connects various parts of Folsom, including residential and busier sections. Portions are designated as a local truck route. | 2.3 |

*Sources: DOT, State transportation maps, Commercial Truck Routes | Folsom, CA, Folsom Boulevard - Wikipedia*

### Public Transportation

The public transportation services serving the local area are shown below.

| Service Type | Operator | Details | Distance (miles) |
|---|---|---|---|
| Bus | Sacramento Regional Transit District (SacRT) | Route 10 FSL (Folsom Stage Line) | 0.2 |
| | | Route 20 FSL (Folsom Stage Line) | 0.5 |
| | | Route 10 stop at Creekside Dr & Oak Ave Pkwy | 0.8 |
| | | Route 10 stop at Iron Point Rd & Oak Ave Pkwy | 1.3 |
| | | Route 20 stop at Blue Ravine Rd & Natoma Station Dr | 2.9 |
| Light Rail | Sacramento Regional Transit District (SacRT) | Gold Line - Historic Folsom Station | 2.3 |

*Sources: SacRT, Transit authority websites, East Bidwell Street & Oak Avenue Parkway, Folsom CA - Walk Score, Public Transportation | Folsom, CA, Select Stop - m.sacrt.com, How to get to Oak Avenue Parkway, Folsom by bus or light rail? - Moovit*

## Public Schools

The public schools serving the local area are shown below.

| School Name | Grade Levels | Distance (miles) |
|---|---|---|
| Russell Ranch Elementary School | K-5 | 1.4 |
| Folsom Hills Elementary School | K-5 | 1.7 |
| Oak Chan Elementary School | K-5 | 2.0 |
| Natoma Station Elementary School | K-5 | 2.5 |
| Empire Oaks Elementary School | K-5 | 2.9 |
| Sutter Middle School | 6-8 | 2.3 |
| Folsom High School | 9-12 | 2.5 |
| Vista Del Lago High School | 9-12 | 2.8 |
| Folsom Lake College | Higher Education | 1.9 |
| Sandra J. Gallardo Elementary School | K-5 | 3.8 |
| Mangini Ranch Elementary School | K-5 | 4.1 |
| Carl H. Sundahl Elementary School | K-5 | 4.9 |
| Gold Ridge Elementary School | K-5 | 3.0 |

*Sources: School district websites, 2026 Best Public Schools in Folsom - Niche, Best Public Schools in 95630 (Folsom, CA) (2026), Find the Best Public Schools in Folsom, CA | Compare Now - Winnie, Folsom - Navigate Realty | Neighborhood Guide, Empire Oaks Elementary - Folsom Cordova Unified School District*

## Community Services

The community services serving the local area are shown below.

| Service Type | Name | Distance (miles) |
|---|---|---|
| Public Library | Folsom Public Library | 2.4 |
| Police Department | Folsom Police Department | 2.4 |
| Fire Department | Folsom Fire Department Station 35 | 1.9 |
| Senior Center | Folsom Senior Center | 2.4 |
| Hospital | Mercy Hospital Folsom | 2.4 |
| Family Resource Center | Folsom Cordova Community Partnership Family Resource Center | 1.9 |
| Community Care Center | Powerhouse Ministries Crisis and Community Care Center | 2.2 |

*Sources: Local government websites, Senior Center - Folsom, CA, Family Resource Center, Folsom Cordova Community Partnership - For Every Woman, Community Support - Folsom Cordova Community Partnership, Powerhouse Ministries, 7 Cups: Online Therapy & Chat*

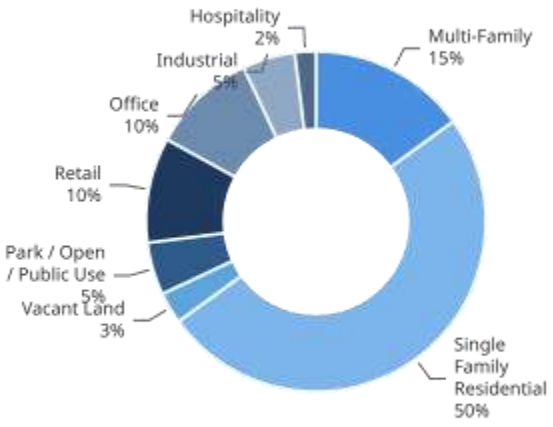
| Overall Impact on Subject Property | | Positive |
|---|---|---|

### Land Use Mix

The local area has a mix of commercial uses nearby, the composition of which is shown in the graph/table below.

| Property Type | 5-Mile Radius |
|---|---|
| **Non Commercial Land Uses** | |
| Multi-Family | 15% |
| Single Family Residential | 50% |
| Vacant Land | 3% |
| Park / Open / Public Use | 5% |
| **Total Non Commercial** | **73%** |
| **Commercial Land Uses** | |
| Retail | 10% |
| Office | 10% |
| Industrial | 5% |
| Hospitality | 2% |
| **Total Commercial** | **27%** |
| **Grand Total** | **100%** |

*Sources: Local zoning records, Satellite imagery analysis, Folsom, California Zoning Map | United States Zoning Data - Zoneomics, Folsom Planning Area - The Hodgson Company, 95630 Mixed Use Properties for Sale | LoopNet, 95630 Land & Lots For Sale - 25 Listings - Zillow, Google Gemini & Appraiser Observations*




### Surrounding Land Uses

The uses adjacent to the property are noted below:

| Direction | Description |
|---|---|
| North | Office Building |
| South | E Bidwell Street |
| East | Vacant Land |
| West | Oak Avenue Parkway |

| Overall Impact on Subject Property | Neutral |
|---|---|

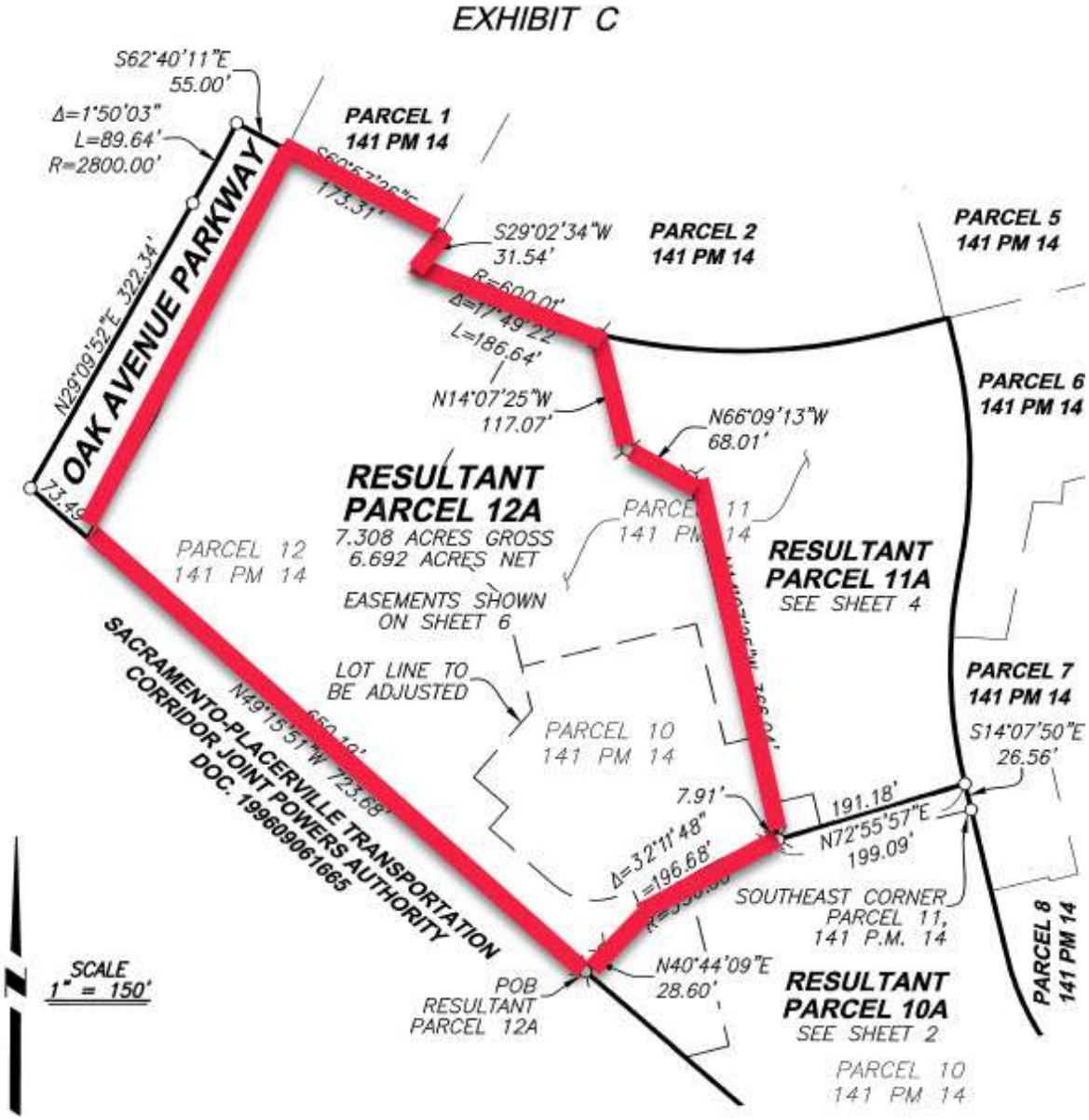
**Conclusions**

Trends in the regional, local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence on the subject. The overall impact on the subject property considers each section and trend.

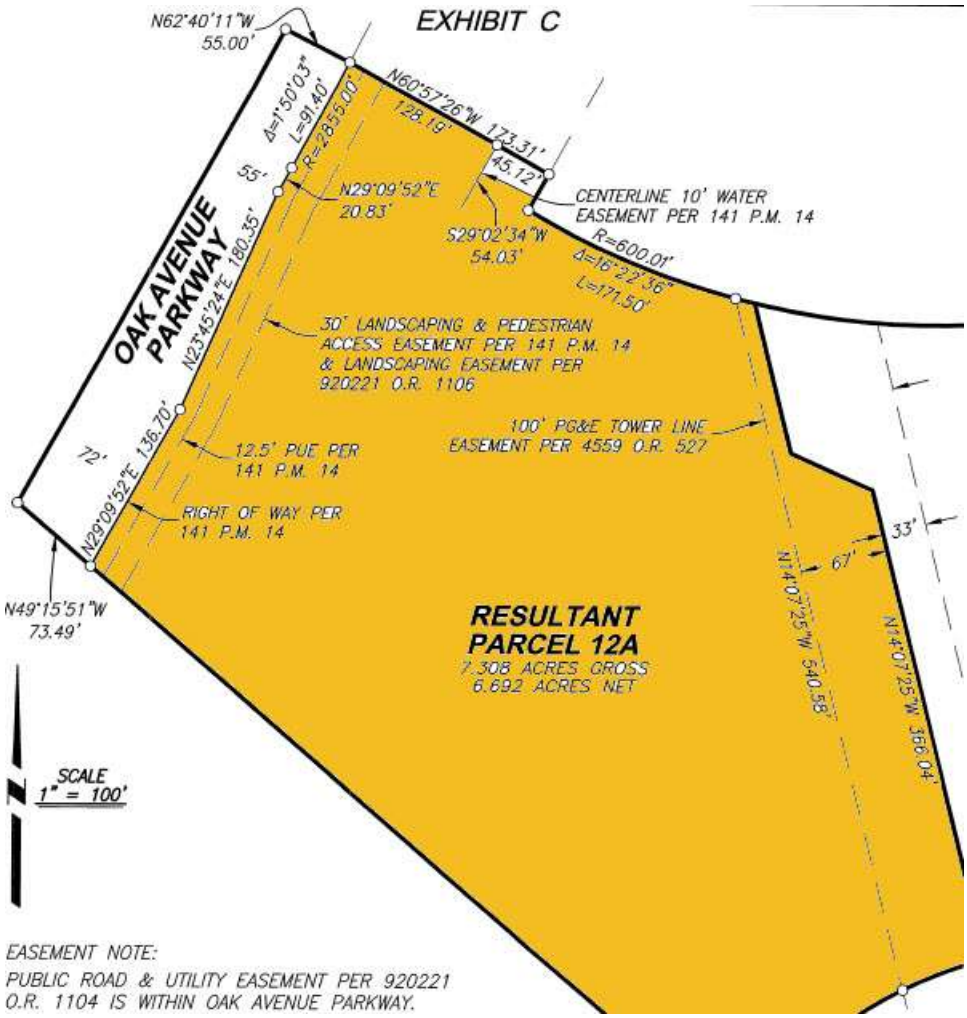
| Regional and Local Area | Impact on Subject |
|---|---|
| Regional - Demographic Trends | **Positive** |
| Regional - Employment, Labor & Output | **Neutral** |
| Regional - Infrastructure & Public Services | **Positive** |
| Local - Demographic Trends | **Neutral** |
| Local - Infrastructure & Public Services | **Positive** |
| Local - Land Uses | **Neutral** |
| **Overall Impact on Subject Property** | **Neutral** |

Regional growth in employment and income trends, coupled with positive local demographic and infrastructure indicators, suggest a favorable external influence on the subject property.

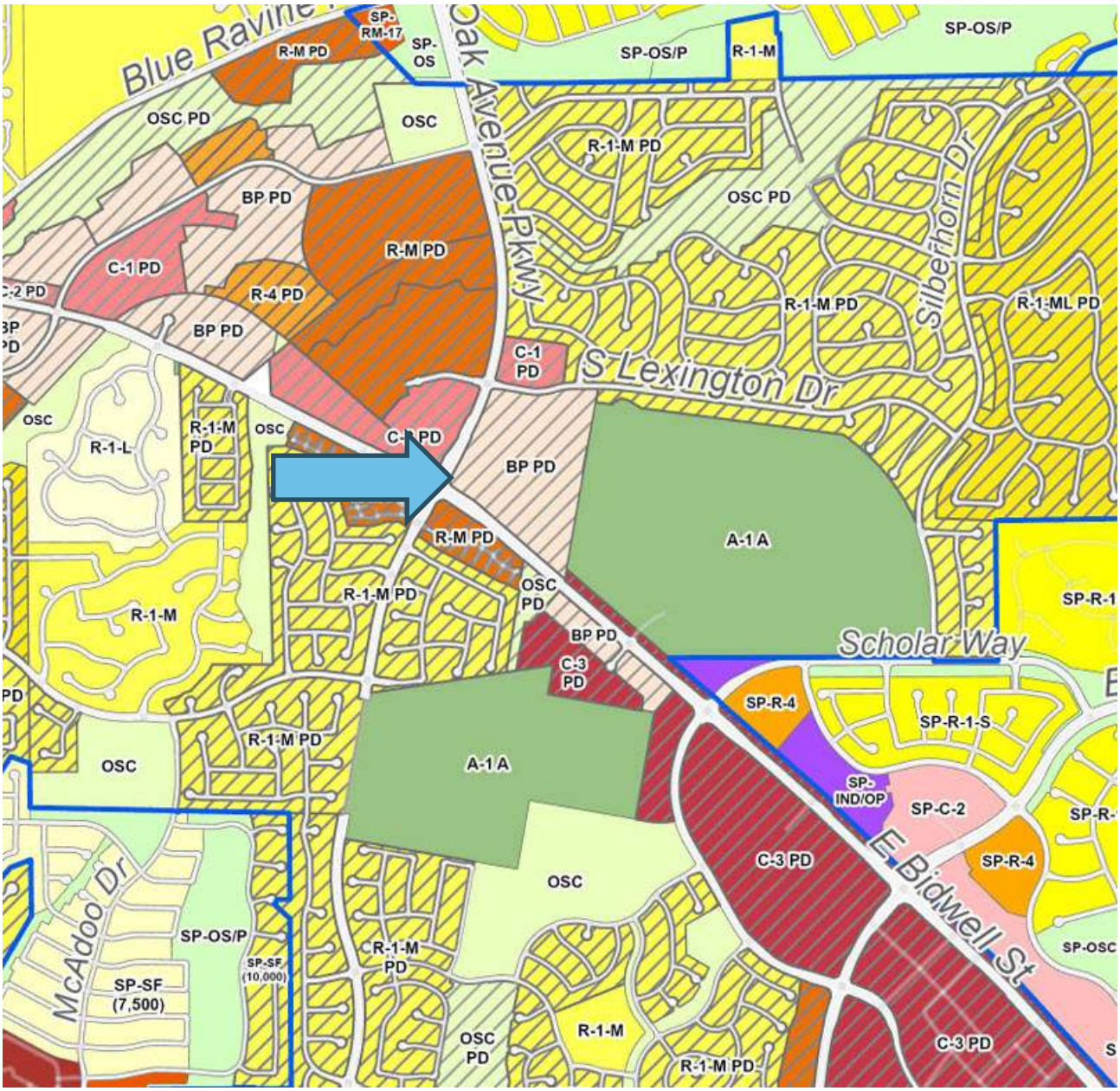
## Plat Map – Resultant Parcel After Lot Line Adjustment



## Plat Map – Resultant Parcel After Lot Line Adjustment



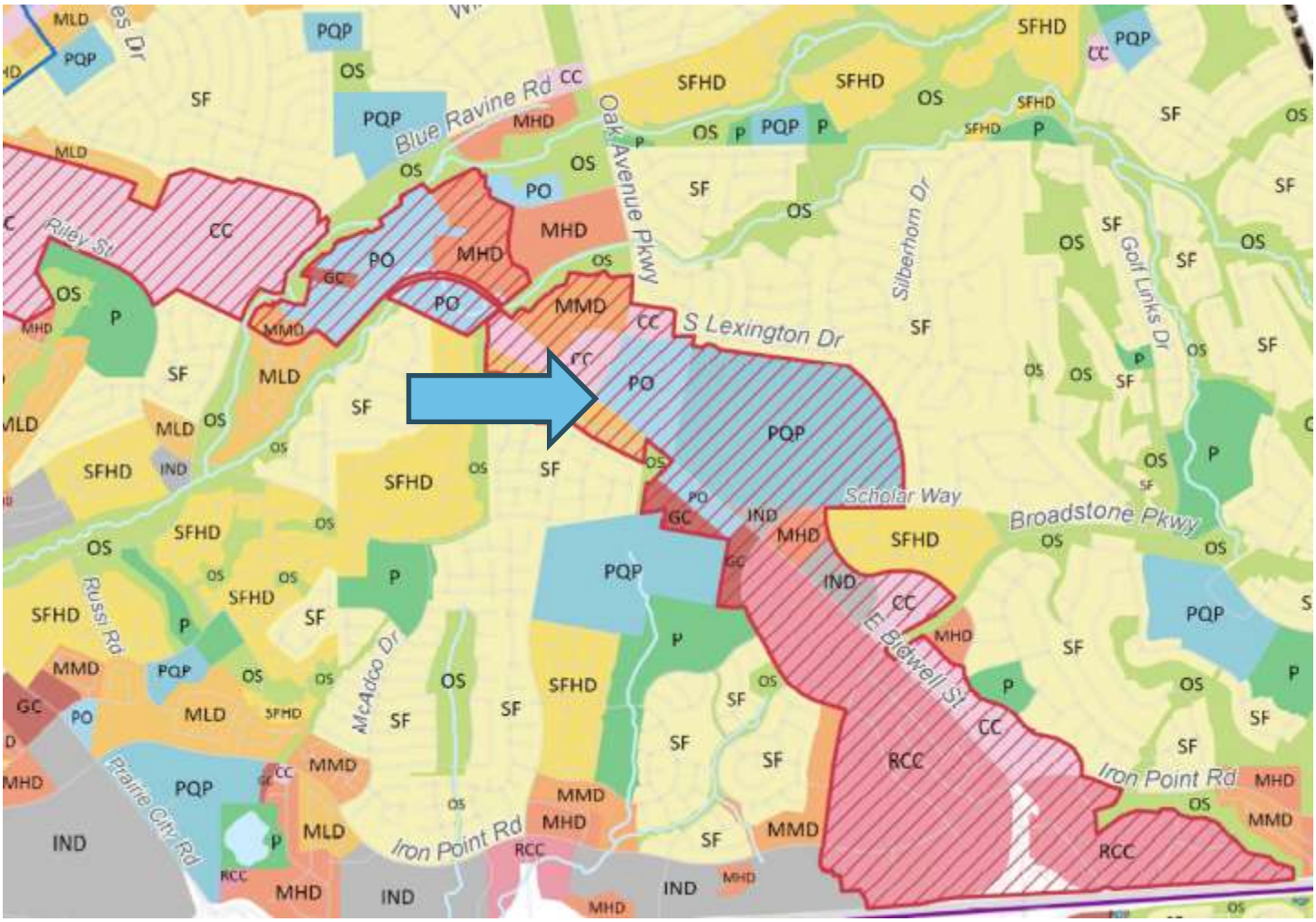
## Zoning Map




**Zoning**

| | |
|---|---|
| A-1 A | SP-GC PD |
| A-1 A | SP-GOLF |
| BP PD | SP-IND/OP |
| BP | SP-IND/OP PD |
| A-1-A | SP-INDUSTRIAL |
| C-1 | SP-LI/BP |
| C-1 A | SP-M-1 |
| C-1 PD | SP-MHD PD |
| C-2 | SP-MHD PD TC |
| C-2 PD | SP-MLD PD |
| C-3 | SP-MLD PD TC |
| C-3 PD | SP-MMD PD |
| HD | SP-MMD PD TC |

## General Plan Map




- IND - Industrial/Office Park
- MHD - Multifamily High Density (20-30 du/ac)
- MMD - Multifamily Medium Density (12-20 du/ac)
- MLD - Multifamily Low Density (7-12 du/ac)
- MU - Mixed Use (20-30 du/ac | FAR 0.5-1.5)
- OS - Open Space
- P - Parks
- PO - Professional/Office
- PQP - Public and Quasi-Public Facility
- RCC - Regional Commercial Center

## Flood Map

# Flood Map Report

For Property Located At

CoreLogic RealQuest Professional

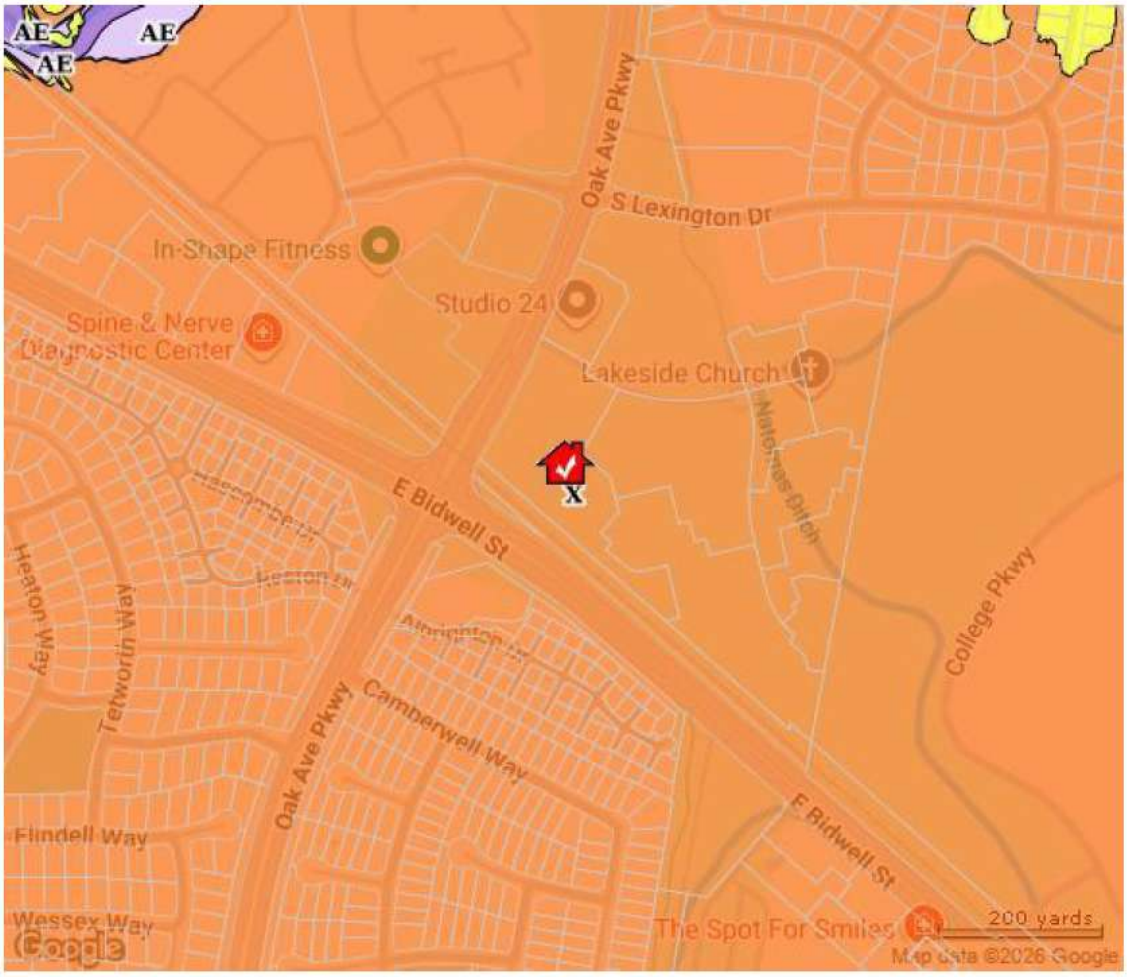
**701 OAK AVENUE PKWY, FOLSOM, CA 95630-6802**

**Report Date:** 08/02/2026 **County:** SACRAMENTO, CA

| Flood Zone Code | Flood Zone Panel | Panel Date |
|---|---|---|
| X | 060263 - 06067C0117J | 02/22/2024 |
| **Special Flood Hazard Area (SFHA)** | **Within 250 ft. of multiple flood zones?** | **Community Name** |
| Out | No | FOLSOM |

Flood Zone Description:

**Zone X-An area that is determined to be outside the 100- and 500-year floodplains.**




**Flood Zones**

| | | | |
|---|---|---|---|
| Coastal 100-year Floodway | 100-year Floodway | Undetermined | 500-year Floodplain incl. levee protected area |
| Coastal 100-year Floodplain | 100-year Floodplain | Unknown or Area Not Included | Out of Special Flood Hazard Area |

**General Description**

The subject site will consist of 1 legal parcel after the lot line adjustment. As noted below, the subject site has 318,249 SF (7.31 AC) of gross land area. The area is estimated based on the approved lot line adjustment parcel map, but has not been recorded, and may change if a professional survey determines more precise measurements. Per the parcel merger map, the net land area is 6.69 acres.

**Assessor Parcel** 072-1310-010

**Number Of Parcels** 1

| **Land Area** | **Acres** | **Square Feet** |
|---|---|---|
| Primary Parcel | 6.69 | 291,416 |
| Unusable Land | 0.62 | 26,833 |
| Excess Land | 0.00 | 0 |
| Surplus Land | 0.00 | 0 |
| **Total Gross Land Area** | **7.31** | **318,249** |

**Shape** Irregular - See Plat Map For Exact Shape

**Topography** Level at street grade

**Drainage** Assumed Adequate

**Utilities** All available to the site

| **Street Improvements** | **Street** | **Direction** | **No. Lanes** | **Street Type** | Curbs | Sidewalks | Streetlights | Center Lane | Gutters |
|---|---|---|---|---|---|---|---|---|---|
| Oak Avenue Parkway | Primary Street | two-way | four-lane | major arterial | ✓ | ✓ | ✓ | | ✓ |
| E Bidwell Street | Primary Street | two-way | four-lane | major arterial | ✓ | | ✓ | | ✓ |

**Frontage** Refer to plat map

**Accessibility**

The accessibility of the subject is rated as average. The subject is accessed from two streets, with the main entrance and primary point of ingress/egress being Oak Avenue Parkway. Major transportation arterials within proximity to the subject include E Bidwell Street, Blue Ravine Road and Broadstone Parkway, providing linkage to the surrounding area. Primary access is from Oak Ave Parkway. There is not access from E Bidwell Street due to the rail line that runs along the frontage road.

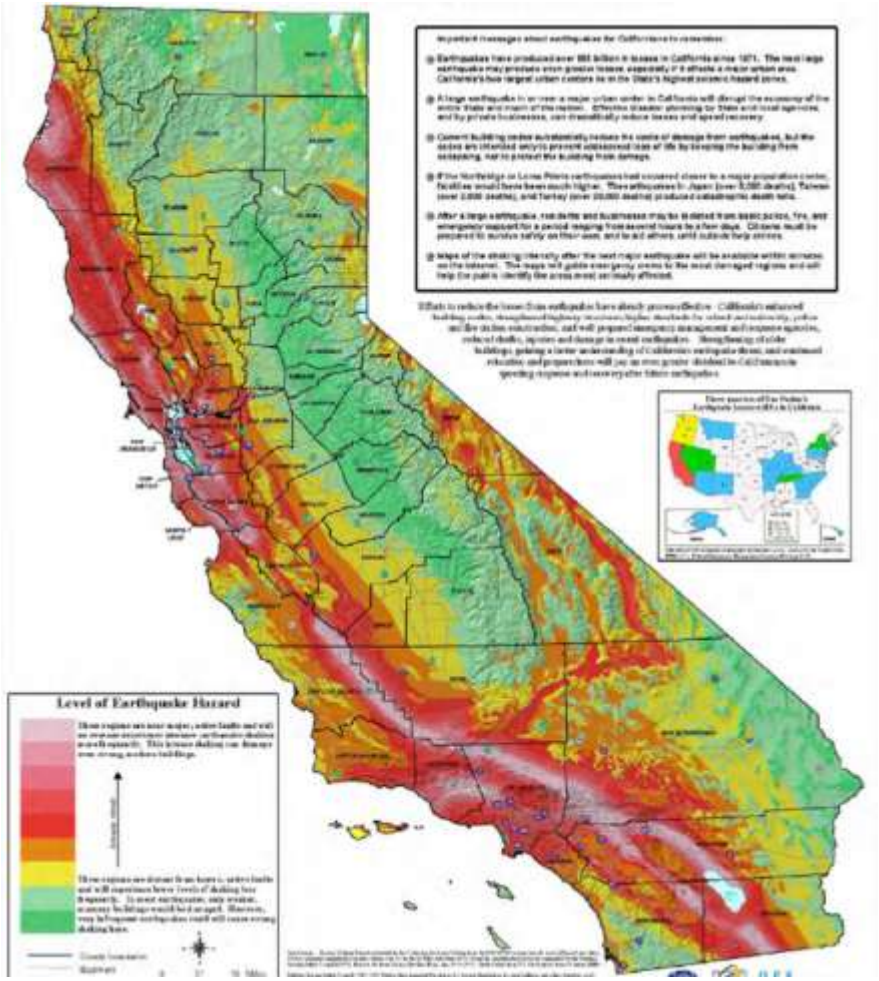
**Exposure**

The subject has average exposure, as it is located along a major arterial. The project's exposure rating takes into account its above average visibility and its average traffic count. It also considers the subject's exposure from multiple streets.

**Seismic**

The U.S. Geological Survey (USGS) produces a seismic hazards map that is considered the standard map for assessing seismic risk. According to the USGS map, the subject property is considered to be within a Moderate Risk zone.

Additionally, the California Geological Survey has another mapping program as a part of the Alquist-Priolo Earthquake Fault Zoning Act of 1972. As a part of this law, property owners are required to formally disclose that their property lies within the fault zones defined by the California Geological Survey, before selling the property. According to California Geological Survey, the subject is not located within 1,000 feet of an Alquist-Priolo Fault Zone.




**Flood Zone**

Zone X (Shaded). This is referenced by Community Number 060263, Panel Number 06067C0117J, dated February 22, 2024. Zone X (shaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

**Site Rating**

A+

**Easements**

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

**Soils** A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

**Hazardous Waste** We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

## Introduction

The subject property is located within the Sacramento County municipality. The assessed value and property tax for the current year are summarized in the following table.

| Assessment & Taxes | | | | | | | |
|---|---|---|---|---|---|---|---|
| Tax Year | 2026 | | | | | Tax Rate | 1.0907% |
| Tax Rate Area | 04-000 | | | | | Taxes Current | Yes |
| Taxes SF Basis | Total Land Area | | | | | | |
| **APN** | **Land** | **Impv** | **Personal** | **Total** | **Exemptions** | **Taxable** | **Base Tax** |
| 072-1310-010 | $782,408 | $0 | $0 | $782,408 | $0 | $782,408 | $8,534 |
| 072-1310-011 | $686,602 | $0 | $0 | $686,602 | $0 | $686,602 | $7,489 |
| 072-1310-012 | $705,762 | $0 | $0 | $705,762 | $0 | $705,762 | $7,698 |
| **Totals** | **$2,174,772** | **$0** | **$0** | **$2,174,772** | **$0** | **$2,174,772** | **$23,720** |
| **Total/SF** | **$6.83** | **$0.00** | **$0.00** | **$6.83** | **$0.00** | **$6.83** | **$0.07** |
| | | | **Additional Tax Charges** | | | | |
| Willow Creek Estates L&L | | | | | | | $204 |
| **Total Additional Tax Charges** | | | | | | | **$204** |
| **Total Base Tax & Additional Tax Charges** | | | | | | | **$23,924** |
| **Total Base Tax & Additional Tax Charges Per SF** | | | | | | | **$0.08** |

Source: Sacramento County Assessment & Taxation

### Subject Property Analysis

The total taxable value for the subject property is $2,174,772 or $6.83/SF. There are no exemptions in place. Total taxes for the property are $23,924 or $0.08/SF.

In California, reassessments of property values occur upon the sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness. In the valuation section, property taxes for the subject are estimated by applying the current tax rate to the concluded value since the stabilized property taxes are calculated by assuming a sale at market value per Proposition 13.

According to the Sacramento County Assessor's Office, real estate taxes for the subject property are current as of the date of this report.

### Tax Comparables

Real estate taxes in California are set based on market value at the time of sale rather than market value as of the current date. With real estate values generally increasing since Proposition 13 was originated in 1978, it is common for California properties that have been owned for a significant period of time to have a lower real estate tax burden than a property that was recently sold. Therefore, tax comparables are not commonly used in the state of California.

## Introduction

The zoning characteristics for the subject property are summarized below:

| Zoning Summary | |
|---|---|
| **Municipality Governing Zoning** | City of Folsom Planning & Zoning Department |
| **Current Zoning** | Business Professional-Planned Development (BP-PD) |
| **Overlay District** | East Bidwell Corridor Mixed-Use |
| **Permitted Uses** | Permitted uses within this zoning district primarily include a wide range of residential and commercial uses. |
| **Current Use** | Multi-Family Land |
| **Is Current Use Legally Permitted?** | Yes |
| **Zoning Change** | Not Likely |
| **Zoning Requirements** | |
| **Conforming Use** | The subject's improvements represent a legal, conforming use. |
| **Minimum Site Area (SF)** | 6,000 SF |
| **Minimum Yard Setbacks** | |
| Front (Feet) | 20 |
| Rear (Feet) | 20 |
| Side (Feet) | 6 |
| **Minimum Density (Units/Acre)** | 30 : 1 |
| **Maximum Site Coverage** | 60% |
| **Maximum Building Height** | 35 Feet |
| **Maximum Floor Area Ratio (FAR)** | 0.2 to 1.5 times the lot area |

Source: City of Folsom Planning & Zoning Department

**BP, Business Professional:** The intent of the BP zone is to designate areas suitable for business and professional offices. Uses in the BP zone are intended to be low-intensity commercial uses and compatible with higher-intensity residential uses. Retail commercial activities are discouraged. The BP zone may serve as a buffer between retail commercial and residential areas. The BP zone should be located along major arterials or have direct access to one via a collector street.

The **East Bidwell Corridor Mixed-Use Overlay** is a special zoning designation in Folsom, California, created to allow a mix of housing, retail, and offices along East Bidwell Street. It helps the city meet state housing goals by increasing residential density without changing older suburban neighborhoods. According to the planning department, the subject is located in the East Bidwell Corridor Mixed Use Overlay district.

### Zoning and Development Rules

- **Allowed uses**: Combines multi-family housing with retail shops, restaurants, and professional offices.
- **Housing density**: Mandates higher density limits, such as a minimum of 30 units per acre for certain affordable or targeted projects. The subject has 6.69 net acres of land area and the minimum density is 30 units per acre. As a result, the minimum number of units is 200 developable units. The subject could be improved with a higher density, but would have to comply with FAR requirements.
- **Design standards**: Follows objective rules to make buildings more walker-friendly, visually attractive, and consistent in layout.

### Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed. According to the city planner, the subject is permitted to have a minimum density of 30 units per acre.

## Introduction

This section provides a study of office and multi family supply/demand conditions for the Sacramento Market and Folsom Submarket, and transaction trends. These findings are used to support my conclusions for the competitive position, general vacancy and exposure period for the subject property. The first analysis highlights the office market and the second analysis provides insight into the apartment market.

## Sacramento Office Market

The following is an analysis of supply/demand trends in the Sacramento Office market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

**Sacramento Historical Statistics (Last Ten Years)**

| Period | Supply | Added Supply | Net Absorption | Vacancy | Asking Rent |
|---|---|---|---|---|---|
| 2016 | 107,786,115 SF | 387,367 SF | 1,288,918 SF | 10.2% | $1.75/SF |
| 2017 | 107,862,947 SF | 82,832 SF | 783,438 SF | 9.5% | $1.78/SF |
| 2018 | 108,022,106 SF | 303,295 SF | 699,737 SF | 9.0% | $1.86/SF |
| 2019 | 108,565,382 SF | 616,776 SF | 1,432,095 SF | 8.2% | $1.90/SF |
| 2020 | 109,079,082 SF | 781,456 SF | (5,219) SF | 8.6% | $2.00/SF |
| 2021 | 110,044,656 SF | 1,302,667 SF | 186,108 SF | 9.2% | $2.07/SF |
| 2022 | 110,729,227 SF | 773,414 SF | (138,948) SF | 9.9% | $2.13/SF |
| 2023 | 110,787,954 SF | 97,677 SF | (373,400) SF | 10.3% | $2.15/SF |
| 2024 | 112,240,932 SF | 1,566,908 SF | 1,045,848 SF | 10.5% | $2.17/SF |
| 2025 | 112,877,808 SF | 679,492 SF | 309,589 SF | 10.8% | $2.20/SF |
| **CAGR** | 0.5% | - | - | - | 2.3% |

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Sacramento Office market inventory increased by 4.80%. Further there was positive absorption, increase in vacancy and increase of the average asking rent. There has been new construction in each of the last ten years while net absorption has been positive in seven of the last ten years. Vacancy decreased each year through 2021 before increasing each year to 10.8% in 2025. Asking rent has increased in each of the last ten years.

The following table summarizes the trailing four quarter performance of the Sacramento market.

**Sacramento Trailing Four Quarter Performance**

| Period | Supply | Added Supply | Net Absorption | Vacancy | Asking Rent |
|---|---|---|---|---|---|
| 2025 Q3 | 112,877,808 SF | 0 SF | 27,835 SF | 10.7% | $2.19/SF |
| 2025 Q4 | 112,877,808 SF | 0 SF | (71,995) SF | 10.8% | $2.19/SF |
| 2026 Q1 | 112,877,808 SF | 0 SF | 49,893 SF | 10.7% | $2.17/SF |
| 2026 Q2 | 112,869,928 SF | 0 SF | (68,550) SF | 10.8% | $2.14/SF |

Source: Costar®

Over the past four quarters the Sacramento office market has experienced no growth of supply. Net absorption was negative over the past 12 months and vacancy has remained generally flat. However, asking rents have declined a bit.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

| Sacramento Market Trend Analysis | | | |
|---|---|---|---|
| | Q2 2026 | 2025 | Last 10 |
| Total SF | 112,869,928 | 112,877,808 | 109,799,621 |
| Vacant SF | 12,156,157 | 12,190,803 | 10,562,724 |
| Market Vacancy | 10.8% | 10.8% | 9.6% |
| Construction Growth Rate | 0.0% | 0.6% | 0.5% |
| Absorption Rate | (0.1%) | 0.3% | 0.5% |
| Average Asking Rent/SF | $2.14 | $2.20 | $2.00 |

Source: Costar®

### Sacramento Market Conclusion

Based on the preceding analysis, the Sacramento Office market demonstrates generally stable fundamentals. There has been new construction in each of the last ten years while net absorption has been positive in seven of the last ten years. Vacancy decreased each year through 2021 before increasing each year to 11% in 2025. Asking rent has increased in each of the last ten years. Analysis of supply and demand factors indicate the market is generally stable.

## Folsom Office Submarket Overview

The following is an analysis of supply/demand trends in the Folsom Office submarket using information provided by CoStar. The table below presents historical data for key submarket indicators.

| Folsom Historical Statistics (Last Ten Years) | | | | | |
|---|---|---|---|---|---|
| Period | Supply | Added Supply | Net Absorption | Vacancy | Asking Rent |
| 2016 | 6,429,698 SF | 20,704 SF | 312,628 SF | 7.7% | $1.85/SF |
| 2017 | 6,437,195 SF | 7,497 SF | 79,177 SF | 6.6% | $1.87/SF |
| 2018 | 6,447,011 SF | 9,816 SF | 71,329 SF | 5.6% | $1.90/SF |
| 2019 | 6,452,374 SF | 5,363 SF | 113,149 SF | 3.9% | $2.02/SF |
| 2020 | 6,472,745 SF | 20,371 SF | (56,074) SF | 5.1% | $2.14/SF |
| 2021 | 6,472,745 SF | 0 SF | 108,562 SF | 3.4% | $2.19/SF |
| 2022 | 6,472,745 SF | 0 SF | (287,929) SF | 7.9% | $2.31/SF |
| 2023 | 6,492,745 SF | 20,000 SF | 7,757 SF | 8.0% | $2.36/SF |
| 2024 | 6,527,525 SF | 34,780 SF | 25,113 SF | 8.1% | $2.36/SF |
| 2025 | 6,527,525 SF | 0 SF | 45,924 SF | 7.4% | $2.38/SF |
| **CAGR** | 0.2% | - | - | - | 2.6% |

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.
Source: Costar®

The Folsom office submarket has experienced some new growth over the past 10 years. Due to relatively low vacancy and current market conditions, there has only been some construction in seven of the last 10 years. Further there was positive absorption, fluctuating vacancy and increase of the asking average rent. Net absorption has been positive in eight of the last 10 years. Vacancy decreased from 2016 to 2019, before increasing in 2020 due to Covid 19 remained somewhat elevated in the 5% to 9% range through 2025. The vacancy reached 7.4% in 2025. Asking rent has generally increased over the last five years and reached a high of $2.38/SF in 2025.

The following table summarizes the trailing four quarter performance of the Folsom submarket.

| Folsom Trailing Four Quarters Performance | | | | | |
|---|---|---|---|---|---|
| Period | Supply | Added Supply | Net Absorption | Vacancy | Asking Rent |
| 2025 Q3 | 6,527,525 SF | 0 SF | (15,746) SF | 7.1% | $2.39/SF |
| 2025 Q4 | 6,527,525 SF | 0 SF | (23,626) SF | 7.4% | $2.37/SF |
| 2026 Q1 | 6,527,525 SF | 0 SF | (70,786) SF | 8.5% | $2.37/SF |
| 2026 Q2 | 6,527,525 SF | 0 SF | (14,004) SF | 8.7% | $2.42/SF |

Source: Costar®

Over the past four quarters the Folsom office submarket has experienced no growth of supply. There was also negative net absorption, increase in vacancy rates and increase of asking rent in the marketplace.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

| Folsom Market Trend Analysis | | | |
|---|---|---|---|
| | Q2 2026 | 2025 | Last 10 |
| Total SF | 6,527,525 | 6,527,525 | 6,473,231 |
| Vacant SF | 569,687 | 483,037 | 412,345 |
| Market Vacancy | 8.7% | 7.4% | 6.4% |
| Construction Growth Rate | 0.0% | 0.0% | 0.2% |
| Absorption Rate | (0.2%) | 0.7% | 0.6% |
| Average Asking Rent/SF | $2.42 | $2.38 | $2.14 |

Source: Costar®

## Folsom Office Submarket Conclusion

Based on the preceding analysis, the Folsom Office submarket demonstrates generally stable fundamentals. There has been limited new construction in the past 10 years and no new construction over the past 12 months. Net absorption was positive in only one of the last four quarters. Vacancy has increased over the past four quarters and is currently 8.5% in the last quarter. Asking rent has been generally stable over the last four quarters with little movement. Analysis of supply and demand factors indicate the market is generally stable due to relatively low vacancy and negative net absorption.

## Folsom/Orangevale/Fair Oaks Apartment Submarket Overview

The table below presents a current quarter snapshot of the key indicators within the Folsom submarket.

| Folsom/Orangevale/Fair Oaks Submarket at a Glance | | | | | | | | | | | 2026 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Units | Occup-ancy (%) | Absorp. (Units) | New Inv. (Units) | Removals (Units) | Inventory Units Δ | Inventory % Δ | Under Const. | Near-Term Deliveries[1] | | |
| **Inventory** | 15,995 | 95.7% | 83 | 0 | 0 | 0 | 0.0% | 0 | 0 | | |
| | By Vintage | | | | | | | By Style | | | |
| **Category** | **2020+** | **2010s** | **2000s** | **1990s** | **1980s** | **1970s** | **Pre-1970s** | **Low-Rise** | **Mid-Rise** | **High-Rise** | **Total** |
| Occupancy | 93.8% | 96.2% | 96.8% | 95.6% | 96.2% | 96.3% | 97.9% | 95.7% | 95.5% | n.a. | 95.7% |
| Quarterly Occ. Δ | 1.4% | 2.2% | 0.1% | 0.3% | 0.3% | 0.8% | 1.4% | 0.5% | 1.3% | n.a. | 0.5% |
| Annual Occ. Δ | -1.9% | -1.0% | 0.5% | -0.5% | -1.2% | 0.6% | 0.0% | -0.7% | -0.4% | n.a. | -0.7% |
| Rent ($/mo.) | $2,534 | $2,561 | $2,217 | $2,066 | $1,865 | $1,898 | $2,071 | $2,130 | $2,505 | n.a. | $2,151 |
| Rent ($/sf) | $2.49 | $2.30 | $2.31 | $2.17 | $2.33 | $2.38 | $2.54 | $2.30 | $2.69 | n.a. | $2.32 |
| Annual Revenue Δ2 | -1.0% | 1.2% | 0.6% | -3.1% | -0.6% | 5.2% | 4.8% | -0.5% | -4.1% | n.a. | -0.7% |
| % Offering Concessions | 46.7% | 13.3% | 0.0% | 39.2% | 19.5% | 0.0% | 0.0% | 25.4% | 0.8% | n.a. | 24.0% |
| Avg. Concession | 3.3% | 9.9% | n.a. | 8.7% | 4.8% | n.a. | n.a. | 5.7% | 5.2% | n.a. | 5.7% |
| Qtr. Same-Property Rent Δ | 1.5% | 1.1% | 1.3% | -1.4% | 1.8% | 1.1% | -2.3% | 0.8% | 0.1% | n.a. | 0.8% |
| Ann. Same-Property Rent | 0.9% | 2.2% | 0.1% | -2.6% | 0.6% | 4.6% | 4.8% | 0.3% | -3.7% | n.a. | 0.0% |

Source: MPF Research® [1] Delivering within next four quarters. [2] Annual Revenue Change = Annual Occ. Change + Annual Rent Change

## Submarket Occupancy, Rental Rate, and Concession Trends

| Occupancy Analysis | | | | | | | | | | | | | Folsom/Orangevale/Fair Oaks Submarket |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | By Vintage | | | | | | | By Style | | | Submarket | Market | Versus |
| **Period** | **2020+** | **2010s** | **2000s** | **1990s** | **1980s** | **1970s** | **Pre-1970s** | **Low-Rise** | **Mid-Rise** | **High-Rise** | **Total** | **Total** | **Market** |
| 2021 | 95.6% | 96.2% | 96.9% | 97.3% | 97.3% | 97.9% | 94.6% | 97.1% | n.a. | n.a. | 97.1% | 97.3% | ● |
| 2022 | 96.5% | 92.4% | 95.5% | 96.1% | 97.8% | 97.3% | 99.3% | 96.6% | 95.5% | n.a. | 96.5% | 97.8% | ● |
| 2023 | 92.9% | 97.1% | 94.8% | 92.0% | 95.5% | 94.5% | 100.0% | 94.0% | 93.5% | n.a. | 94.0% | 94.7% | ● |
| 2024 | 94.1% | 94.3% | 94.9% | 94.1% | 96.5% | 95.1% | 91.7% | 95.0% | 93.5% | n.a. | 94.9% | 94.4% | ● |
| 2025 | 95.7% | 97.1% | 96.3% | 96.1% | 97.4% | 95.7% | 97.9% | 96.4% | 95.9% | n.a. | 96.4% | 95.7% | ● |
| 2026 | 93.8% | 96.2% | 96.8% | 95.6% | 96.2% | 96.3% | 97.9% | 95.7% | 95.5% | n.a. | 95.7% | 95.4% | ● |
| 2025 Q2 | 94.9% | 96.2% | 96.7% | 96.4% | 97.1% | 96.8% | 100.0% | 96.6% | 94.7% | n.a. | 96.5% | 96.0% | ● |
| 2025 Q3 | 91.5% | 96.2% | 96.9% | 96.9% | 96.2% | 95.6% | 100.0% | 95.5% | 96.3% | n.a. | 95.5% | 95.5% | ● |
| 2025 Q4 | 92.4% | 94.3% | 96.7% | 95.3% | 96.0% | 95.6% | 95.8% | 95.3% | 94.1% | n.a. | 95.2% | 95.2% | ● |
| **2026 Q1** | **93.8%** | **96.2%** | **96.8%** | **95.6%** | **96.2%** | **96.3%** | **97.9%** | **95.7%** | **95.5%** | **n.a.** | **95.7%** | **95.4%** | ● |

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

## Inventory/Occupancy

As presented, the Folsom/Orangevale/Fair Oaks market maintains a current inventory of 15,995 units, representing no change from the previous quarter The current market-wide occupancy rate of 95.7% is indicated through a range extending from 93.8% to 97.9% across all property styles and vintages. When compared to the previous quarter, the market-wide average occupancy rate has increased 0.5%. On a current-quarter annualized basis, occupancy rates have decreased -0.7%.

**Effective Rent ($/Unit)** — **Folsom/Orangevale/Fair Oaks Submarket**

| | By Vintage | | | | | | | By Style | | | Submarket | Market | Versus |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Period | 2020+ | 2010s | 2000s | 1990s | 1980s | 1970s | Pre-1970s | Low-Rise | Mid-Rise | High-Rise | Total | Total | Market |
| 2021 | $2,251 | $2,207 | $2,030 | $1,841 | $1,621 | $1,663 | $1,496 | $1,832 | n.a. | n.a. | $1,832 | $1,643 | ● |
| 2022 | $2,592 | $2,386 | $2,210 | $2,120 | $1,823 | $1,893 | $1,684 | $2,078 | $2,539 | n.a. | $2,106 | $1,892 | ● |
| 2023 | $2,445 | $2,461 | $2,157 | $2,100 | $1,792 | $1,911 | $1,792 | $2,046 | $2,532 | n.a. | $2,077 | $1,925 | ● |
| 2024 | $2,588 | $2,542 | $2,193 | $2,101 | $1,844 | $1,872 | $1,991 | $2,085 | $2,514 | n.a. | $2,111 | $1,956 | ● |
| 2025 | $2,517 | $2,506 | $2,207 | $2,122 | $1,868 | $1,794 | $1,976 | $2,077 | $2,601 | n.a. | $2,109 | $1,970 | ● |
| 2026 | $2,534 | $2,561 | $2,217 | $2,066 | $1,865 | $1,898 | $2,071 | $2,130 | $2,505 | n.a. | $2,151 | $1,991 | ● |
| 2025 Q2 | $2,589 | $2,593 | $2,273 | $2,142 | $1,872 | $1,859 | $1,949 | $2,121 | $2,559 | n.a. | $2,148 | $2,004 | ● |
| 2025 Q3 | $2,531 | $2,594 | $2,246 | $2,140 | $1,894 | $1,903 | $1,973 | $2,157 | $2,591 | n.a. | $2,182 | $2,010 | ● |
| 2025 Q4 | $2,496 | $2,533 | $2,188 | $2,092 | $1,837 | $1,877 | $2,120 | $2,114 | $2,504 | n.a. | $2,136 | $1,978 | ● |
| **2026 Q1** | **$2,534** | **$2,561** | **$2,217** | **$2,066** | **$1,865** | **$1,898** | **$2,071** | **$2,130** | **$2,505** | **n.a.** | **$2,151** | **$1,991** | ● |

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

**Effective Rent ($/SF)** — **Folsom/Orangevale/Fair Oaks Submarket**

| | By Vintage | | | | | | | By Style | | | Submarket | Market | Versus |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Period | 2020+ | 2010s | 2000s | 1990s | 1980s | 1970s | Pre-1970s | Low-Rise | Mid-Rise | High-Rise | Total | Total | Market |
| 2021 | $2.24 | $1.99 | $2.13 | $1.92 | $2.01 | $1.98 | $1.73 | $2.02 | n.a. | n.a. | $2.02 | $1.90 | ● |
| 2022 | $2.60 | $2.15 | $2.31 | $2.21 | $2.27 | $2.25 | $1.95 | $2.27 | $2.73 | n.a. | $2.30 | $2.19 | ● |
| 2023 | $2.46 | $2.21 | $2.26 | $2.20 | $2.24 | $2.41 | $2.07 | $2.25 | $2.72 | n.a. | $2.28 | $2.22 | ● |
| 2024 | $2.60 | $2.29 | $2.29 | $2.20 | $2.29 | $2.36 | $2.44 | $2.29 | $2.70 | n.a. | $2.31 | $2.24 | ● |
| 2025 | $2.53 | $2.26 | $2.30 | $2.22 | $2.32 | $2.26 | $2.42 | $2.28 | $2.80 | n.a. | $2.31 | $2.26 | ● |
| 2026 | $2.49 | $2.30 | $2.31 | $2.17 | $2.33 | $2.38 | $2.54 | $2.30 | $2.69 | n.a. | $2.32 | $2.26 | ● |
| 2025 Q2 | $2.60 | $2.33 | $2.36 | $2.24 | $2.32 | $2.35 | $2.39 | $2.33 | $2.75 | n.a. | $2.35 | $2.29 | ● |
| 2025 Q3 | $2.49 | $2.33 | $2.34 | $2.24 | $2.35 | $2.39 | $2.42 | $2.33 | $2.79 | n.a. | $2.35 | $2.28 | ● |
| 2025 Q4 | $2.45 | $2.28 | $2.28 | $2.20 | $2.29 | $2.35 | $2.60 | $2.28 | $2.69 | n.a. | $2.30 | $2.24 | ● |
| **2026 Q1** | **$2.49** | **$2.30** | **$2.31** | **$2.17** | **$2.33** | **$2.38** | **$2.54** | **$2.30** | **$2.69** | **n.a.** | **$2.32** | **$2.26** | ● |

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

## Rental Rate/Revenue

On a per unit basis, rental rates By Vintage range from a low of $1,865 per month to a high of $2,561 per month. When analyzed on the basis of style, rental rates range from $2,130 (Low-Rise) to $2,505 (High-Rise). In Total, the market-wide inventory-weighted average rental rate is $2,151 per unit per month. On a per square foot basis, rental rates range from a low of $2.17 to a high of $2.54 when analyzing property vintage and $2.30 to $2.69 when analyzed by property style. In aggregate, the market-wide average rental rate is $2.32 per square foot. Annual revenue change, defined as annual occupancy change plus annual rent change represents a decrease of -0.7% Versus the previous same-quarter annual period.

**Percent of Properties Offering Concessions** — **Folsom/Orangevale/Fair Oaks Submarket**

| | By Vintage | | | | | | | By Style | | | Submarket | Market | Versus |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Period | 2020+ | 2010s | 2000s | 1990s | 1980s | 1970s | Pre-1970s | Low-Rise | Mid-Rise | High-Rise | Total | Total | Market |
| 2021 | 0.0% | 0.0% | 0.0% | 10.0% | 0.0% | 0.0% | 0.0% | 2.8% | n.a. | n.a. | 2.8% | 5.4% | ● |
| 2022 | 0.0% | 0.0% | 20.5% | 11.9% | 2.2% | 0.0% | 0.0% | 9.1% | 0.0% | n.a. | 8.5% | 6.0% | ● |
| 2023 | 30.7% | 0.0% | 22.0% | 18.1% | 6.6% | 11.9% | 0.0% | 18.4% | 0.0% | n.a. | 17.2% | 11.4% | ● |
| 2024 | 0.0% | 0.0% | 17.8% | 27.9% | 12.5% | 11.9% | 0.0% | 17.2% | 0.0% | n.a. | 16.1% | 15.4% | ● |
| 2025 | 30.7% | 64.8% | 0.0% | 23.6% | 25.4% | 11.9% | 0.0% | 19.3% | 0.0% | n.a. | 18.1% | 16.6% | ● |
| 2026 | 46.7% | 13.3% | 0.0% | 39.2% | 19.5% | 0.0% | 0.0% | 25.4% | 0.8% | n.a. | 24.0% | 19.9% | ● |
| 2025 Q2 | 30.7% | 26.7% | 0.0% | 23.0% | 13.9% | 0.0% | 0.0% | 14.7% | 0.0% | n.a. | 13.8% | 17.4% | ● |
| 2025 Q3 | 49.1% | 19.0% | 7.7% | 4.7% | 7.1% | 7.5% | 0.0% | 16.0% | 7.9% | n.a. | 15.6% | 17.0% | ● |
| 2025 Q4 | 39.6% | 45.7% | 0.0% | 0.7% | 9.5% | 0.0% | 0.0% | 11.7% | 0.0% | n.a. | 11.0% | 17.7% | ● |
| **2026 Q1** | **46.7%** | **13.3%** | **0.0%** | **39.2%** | **19.5%** | **0.0%** | **0.0%** | **25.4%** | **0.8%** | **n.a.** | **24.0%** | **19.9%** | ● |

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

**Concessions as a Percent of PGI** — **Folsom/Orangevale/Fair Oaks Submarket**

| | By Vintage | | | | | | | By Style | | | Submarket | Market | Versus |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Period | 2020+ | 2010s | 2000s | 1990s | 1980s | 1970s | Pre-1970s | Low-Rise | Mid-Rise | High-Rise | Total | Total | Market |
| 2021 | n.a. | n.a. | n.a. | 0.8% | n.a. | n.a. | n.a. | 0.8% | n.a. | n.a. | 0.8% | 4.6% | ● |
| 2022 | n.a. | n.a. | 1.9% | 1.5% | 0.8% | n.a. | n.a. | 1.7% | n.a. | n.a. | 1.7% | 3.5% | ● |
| 2023 | 4.2% | n.a. | 6.4% | 2.0% | 1.1% | 1.4% | n.a. | 3.8% | n.a. | n.a. | 3.8% | 2.6% | ● |
| 2024 | n.a. | n.a. | 2.6% | 5.1% | 1.6% | 1.5% | n.a. | 3.6% | n.a. | n.a. | 3.6% | 4.0% | ● |
| 2025 | 7.0% | 4.7% | n.a. | 1.9% | 3.5% | 2.2% | n.a. | 3.8% | n.a. | n.a. | 3.8% | 5.9% | ● |
| 2026 | 3.3% | 9.9% | n.a. | 8.7% | 4.8% | n.a. | n.a. | 5.7% | 5.2% | n.a. | 5.7% | 6.3% | ● |
| 2025 Q2 | 1.3% | 8.3% | n.a. | 3.4% | 8.8% | n.a. | n.a. | 4.0% | n.a. | n.a. | 4.0% | 5.9% | ● |
| 2025 Q3 | 3.7% | 9.5% | 4.0% | 1.2% | 7.1% | 0.6% | n.a. | 3.8% | 5.5% | n.a. | 3.8% | 6.6% | ● |
| 2025 Q4 | 3.6% | 4.4% | n.a. | 3.0% | 6.0% | n.a. | n.a. | 4.0% | n.a. | n.a. | 4.0% | 6.6% | ● |
| **2026 Q1** | **3.3%** | **9.9%** | **n.a.** | **8.7%** | **4.8%** | **n.a.** | **n.a.** | **5.7%** | **5.2%** | **n.a.** | **5.7%** | **6.3%** | ● |

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

### Concessions Offered

Analyzed By Vintage, the percentage of properties currently offering concessions range from 0.0% (2000s) to 46.7% (2020+). When singularly analyzing property style, this range shifts to a low of 0.8% (mid-rise) to a high of 25.4% (low-rise). An aggregate, market-wide average of 24.0% is indicated.

### Concessions Given

The average concession given ranges from 3.3% to 9.9% (vintage) and 5.2% to 5.7% (style) of potential gross revenue. An inventory-weighted average across all vintages and styles of 5.7% is indicated.

### Folsom/Orangevale/Fair Oaks Submarket Conclusion

The Folsom/Orangevale/Fair Oaks submarket continues to demonstrate relatively stable fundamentals within the Sacramento–Roseville–Folsom metro, supported by steady renter demand and limited near-term supply pressure. Current occupancy stands at 95.7%, outperforming the metro average and reflecting a 0.5-point quarterly increase, though down 0.7 points year-over-year as demand has moderated slightly. Despite this annual softening, occupancy remains in line with historical norms and is forecast to decline modestly to 94.4% over the next year amid weaker projected demand.

Average effective rents in the submarket measure approximately $2,151 per month, among the higher levels in the metro, and have remained flat year-over-year, outperforming broader market trends. Quarterly rent growth of 0.8% and revenue growth of 1.3% indicate some near-term pricing resilience, though annual revenue has declined 0.7% as concessions have increased. Currently, about 24.0% of units are offering concessions, reflecting heightened competition for renters. With no meaningful supply pipeline underway and inventory growth expected to remain negligible, the submarket is well-positioned for gradual stabilization. As demand recovers and concession usage moderates, Folsom/Orangevale/Fair Oaks should maintain its position as a relatively stable, higher-income submarket within the region.

## Inflation Impact / Macroeconomy Overview

Over the past two years, macroeconomic conditions have slowed commercial real estate activity and constrained debt markets. Following a period of aggressive monetary tightening through 2022 and early 2023, GDP growth moderated and financial conditions became increasingly restrictive, contributing to reduced transaction activity across commercial real estate sectors. Inflation has eased from its 2022 peak, reflecting the cumulative impact of tighter monetary policy, though it remains modestly above the Federal Reserve's long-term 2.0% target. In response to moderating economic conditions, the Federal Reserve maintained the federal funds rate at a restrictive level through most of 2023 and mid-2024. Beginning in late 2024, the Federal Reserve initiated a series of rate reductions that continued through 2025, easing financial conditions while policy rates remained elevated relative to the pre-2022 environment. As a result, borrowing costs remain above historical norms, and capital markets continue to reflect a more disciplined lending environment, with transaction activity proceeding at a measured pace. Declines in the 10-year Treasury have provided some relief in borrowing costs and modestly improved investor sentiment, though underwriting standards remain conservative. The increase in interest rates during the 2022–2024 tightening cycle placed upward pressure on capitalization rates as investors required higher yields, contributing to valuation adjustments and reduced transaction activity. As monetary policy has shifted toward easing and benchmark rates have moderated, the pace of cap rate expansion has slowed and capital market conditions have become more stable.

**Federal Rate Chart**

| FOMC Meeting End Date | Rate Change (bps) | Target Rate Change |
|---|---|---|
| Prior to March 2022 | - | 0.00% to 0.25% |
| March 16, 2022 | + 25-bps | 0.25% to 0.50% |
| May 4, 2022 | + 50-bps | 0.75% to 1.00% |
| June 15, 2022 | + 75-bps | 1.50% to 1.75% |
| July 27, 2022 | + 75-bps | 2.25% to 2.50% |
| September 21, 2022 | + 75-bps | 3.00% to 3.25% |
| November 2, 2022 | + 75-bps | 3.75% to 4.00% |
| December 14, 2022 | + 50-bps | 4.25% to 4.50% |
| February 1, 2023 | + 25-bps | 4.50% to 4.75% |
| March 22, 2023 | + 25-bps | 4.75% to 5.00% |
| May 3, 2023 | + 25-bps | 5.00% to 5.25% |
| June 14, 2023 | - | 5.00% to 5.25% |
| July 26, 2023 | + 25-bps | 5.25% to 5.50% |
| September 20, 2023 | - | 5.25% to 5.50% |
| November 1, 2023 | - | 5.25% to 5.50% |
| December 13, 2023 | - | 5.25% to 5.50% |
| January 31, 2024 | - | 5.25% to 5.50% |
| March 20, 2024 | - | 5.25% to 5.50% |
| May 1, 2024 | - | 5.25% to 5.50% |
| June 12, 2024 | - | 5.25% to 5.50% |
| July 31, 2024 | - | 5.25% to 5.50% |
| September 18, 2024 | - 50-bps | 4.75% to 5.00% |
| November 7, 2024 | - 25-bps | 4.50% to 4.75% |
| December 18, 2024 | -25-bps | 4.25% to 4.50% |
| January 29, 2025 | - | 4.25% to 4.50% |
| March 19, 2025 | - | 4.25% to 4.50% |
| May 7, 2025 | - | 4.25% to 4.50% |
| June 18, 2025 | - | 4.25% to 4.50% |
| July 30, 2025 | - | 4.25% to 4.50% |
| September 17, 2025 | -25-bps | 4.00% to 4.25% |
| October 29, 2025 | -25-bps | 3.75% to 4.00% |
| December 10, 2025 | -25-bps | 3.50% to 3.75% |
| January 28, 2026 | - | 3.50% to 3.75% |
| March 18, 2026 | - | 3.5% to 3.75% |
| April 29, 2026 | Meeting April 28-29 | TBD |

Looking forward, the current lower—but still elevated—interest rate environment may support gradual improvement in investment activity and continued stabilization in capitalization rates. However, investors and lenders remain cautious, and cap rates are generally expected to remain above pre-2022 levels in the near term as markets continue adjusting to a higher cost of capital environment.

## U.S.–Iran Conflict: Impact on U.S. Commercial Real Estate

Geopolitical tensions involving the United States and Iran have introduced uncertainty into global shipping and energy markets, particularly due to the strategic importance of the Strait of Hormuz as a key corridor for global oil and liquefied natural gas transportation. While direct exposure to the conflict is limited for most U.S. commercial real estate markets, indirect effects are emerging through higher transportation costs, increased input prices, and supply-chain disruptions. Elevated fuel prices and rising shipping risks have contributed to higher logistics expenses and longer delivery times. In response, many companies are adjusting operational strategies by increasing safety stock levels and securing additional warehouse capacity to maintain service reliability.

Supply-chain uncertainty and rising energy costs are also affecting commodity markets and manufacturing inputs, which can influence tenant operating costs across industrial and retail sectors. In the near term, these conditions may encourage more defensive occupier behavior, including greater demand for warehouse and distribution space as firms maintain higher inventory levels and position goods closer to end markets. Over the longer term, persistent geopolitical instability could contribute to structural supply-chain shifts, including diversification of sourcing and increased nearshoring activity in North America. For commercial real estate, the most direct impacts are modestly

higher operating and logistics costs for tenants and continued demand support for well-located industrial and distribution facilities as firms prioritize supply-chain resilience.

## Transaction Trends

The following information highlights the office and multifamily market sale transaction trends per Costar.

Over the past year, 15 office properties traded in Folsom, accounting for 210,000 SF of inventory turnover. Office sales volume in Folsom has totaled $50.8 million over the past year. Average annual sales volume over the past five years is $63.5 million and $66.4 million over the past 10 years.

Estimated office market pricing in Folsom is $194/SF compared to the market average of $185/SF. Average market pricing for Folsom is estimated at $192/SF for 4 & 5 Star properties, $200/SF for 3 Star assets, and $164/SF for 1 & 2 Star buildings. The estimated cap rate for Folsom office is 9.3%, compared to the metro average of 9.3%.

Investment activity has been lean in the submarket over the years. It has been nearly four years since quarterly sales volume exceeded $10 million. Most transactions involve private parties, although fund-level equity has accounted for nearly 90% of buy-side volume in the past five years due to the sale of The Falls at Willow Creek for $150 million in 2022. Sales volume in the past 12 months has tallied $115 million compared with $10.0 million for the prior 12-month period. In general, only a few properties trade hands in a given calendar year.

A private investor purchased two properties at the end of 2025 at 10930 Fair Oaks Boulevard and 8125 Monte Park Avenue in Fair Oaks for $6.7 million, or about $152,000/unit. The larger property on Fair Oaks Boulevard consisted of 36 units built in 1961, while the other has eight units built in 1971.

A material change in investment patterns is not expected in the near term.

## General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

| General Vacancy Conclusion | | | |
|---|---|---|---|
| CoStar | 2026 Q3 | **Last Year** | 10 Yr Avg |
| Sacramento Market-Office | 10.8% | 10.8% | 9.6% |
| Folsom Submarket-Office | 8.7% | 7.4% | 6.4% |
| Folsom Submarket-Multifamily | 4.3% | 3.6% | 4.2% |

Based on the subject's size, location and appeal, the market and submarket analyses findings warrant primary consideration. The market level analysis indicated a CoStar vacancy rate of 10.8% and an average vacancy rate of 9.6% over the past ten years. The submarket level analysis indicated a CoStar vacancy rate of 8.7% and an average vacancy rate of 6.4% over the past ten years. As of the effective date of this appraisal, the subject property has a current vacancy rate of 0.0%. Based on my analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 5.0% is concluded.

## Exposure Time & Marketing Period

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The preceding information generally supports an exposure time range from 1 to 18 months for Land (Multi-Family Land) properties. The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicate that adequate financing options would have been available to consummate a sale of the subject on the date of value.

**Exposure Time Conclusion**

Six Months Or Less

**Marketing Period Conclusion**

Six Months Or Less

## Introduction

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

### As-Vacant Analysis

Permitted uses of the subject's Business Professional-Planned Development (BP-PD) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is irregular in shape and has level topography with average access and average exposure. The subject site has frontage along two main arterials at a signalized intersection. The immediate area is developed with office, retail, and mixed-use development along major arterials that is interspersed with multi-family complexes and single-family residential development removed from arterials. Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is a mixed used development as market conditions warrant.

## Valuation Methods

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

### Income Approach

The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Income Approach is not a specific scope requirement of this assignment. Based on the preceding information, the Income Approach will not be presented.

### Sales Comparison Approach

Characteristics specific to the subject property do not warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is not a specific scope requirement of this assignment. Due to unique characteristics of the interest being appraised or lack of market transactions of like substitute comparable properties, insufficient sales data is available to provide a credible value opinion by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is not presented within this appraisal.

### Land Valuation

Characteristics specific to the subject property warrant that a site value is developed. Development of the subject site value is a specific scope requirement of this assignment. Within the Site Valuation section, the subject is valued as one marketable economic site.

### Cost Approach

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

### Reconciliation of Value Conclusions

The land sales comparison approach is used to value the subject property, which will be reconciled into the final opinion of market value in the Analysis of Value Conclusions section.

## Land Valuation

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. Overall, the sales selected represent the best comparables available for this analysis.

### Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

### Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. Comparable 2 is currently listed for sale and is adjusted downward for conditions of sale due to a buyers opportunity to negotiate a lower sale price.

The following table summarizes the market conditions adjustment applied in this analysis.

| Market Conditions Adjustment | | | |
|---|---|---|---|
| Per Year As Of | July 2026 | (As-Is) | 0% |

The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore a market conditions adjustment is not warranted.

### Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

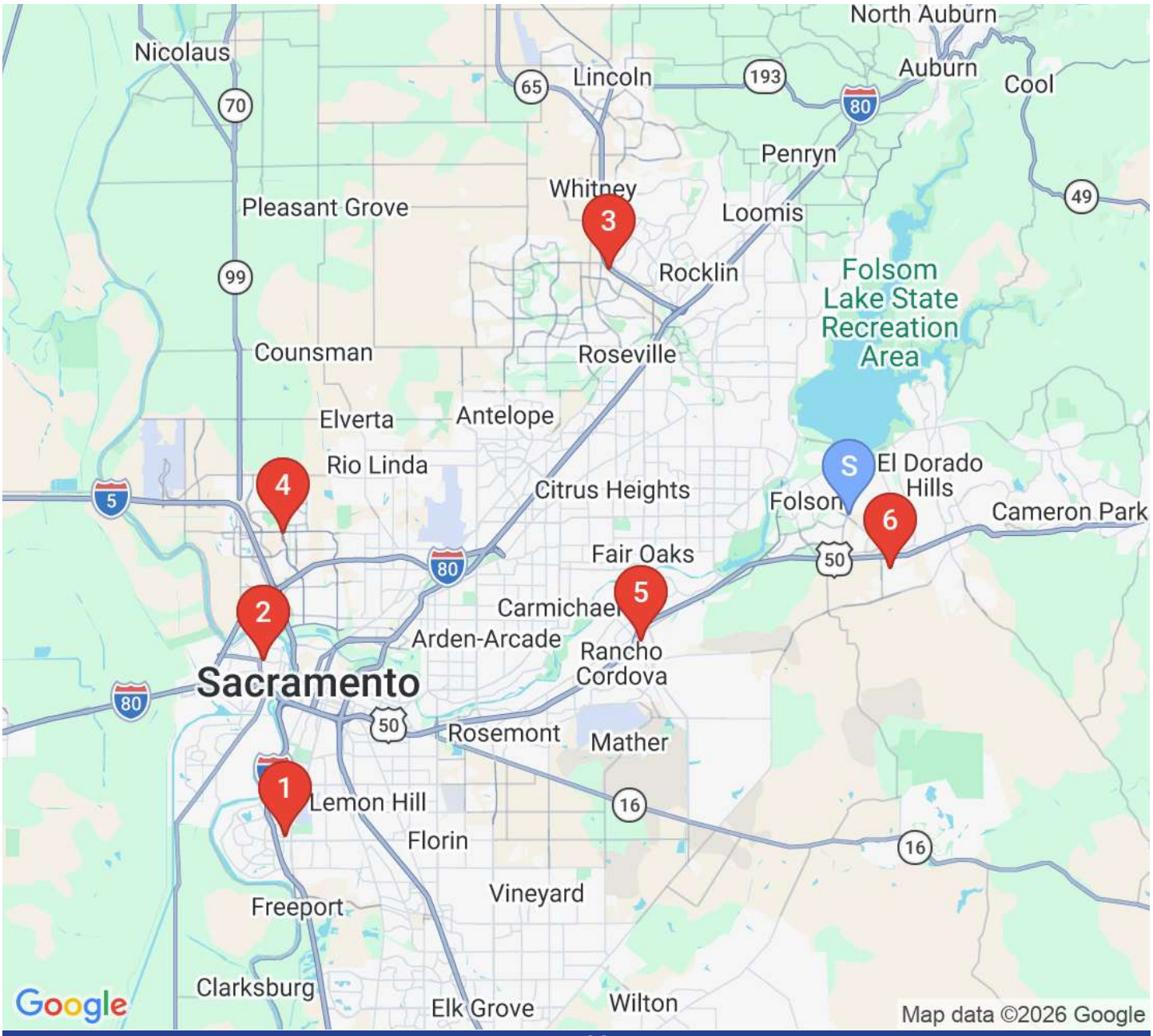
## Presentation

The following Land Sales Summation Table, Location Map and plat maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

### Land Sales Summation Table

| Comparable | Subject | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 | Comparable 5 | Comparable 6 |
|---|---|---|---|---|---|---|---|
| **Name** | Vacant BP Zoned Land | Commercial Land | Vacant Land | Retail Lot | Commercial Land | Commercial Land | Apartments Site |
| **Address** | 701 Oak Avenue Parkway | 7007 South Land Park Drive | 851 Sacramento Avenue | 1726 Freedom Way | 2270 Del Paso Road | 2720 Kilgore Road | 14533 Alder Creek Pkwy |
| **City** | Folsom | Sacramento | West Sacramento | Roseville | Sacramento | Rancho Cordova | Folsom |
| **State** | CA | CA | CA | CA | CA | CA | CA |
| **Zip** | 95630 | 95831 | 95605 | 95678 | 95834 | 95670 | 95630 |
| **County** | Sacramento | Sacramento | Yolo | Placer | Sacramento | Sacramento | Sacramento |
| **APN** | 072-1310-010 | 029-0470-024, -025 | 010-320-038 | 363-022-031 | 225-0070-127, 225-2990-008 | 072-0223-001, 002, 003 | 072-3670-036 |
| **Physical Information** | | | | | | | |
| **Acres** | 6.69 | 3.53 | 8.16 | 1.55 | 2.24 | 4.65 | 10.67 |
| **SF** | 291,416 | 153,766 | 355,318 | 67,518 | 97,574 | 202,553 | 464,785 |
| **Zoning** | BP-PD | C-2-EA-2 | MU-NC | PD/SA-NC | EC-50 | OPMU | MHD |
| **Flood Zone** | Zone X (Shaded) | X | X500 | X | A99 | X | X |
| **Corner** | Yes | No | Yes | No | No | Yes | Yes |
| **Topography** | Level | Level | Level | Level | Level | Level | Level |
| **Utilities** | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **Sale Information** | | | | | | | |
| **Date** | | 4/28/2026 | 8/4/2026 | 1/15/2026 | 7/1/2025 | 4/29/2025 | 7/3/2025 |
| **Status** | | Recorded | Listing | Recorded | Recorded | Recorded | Recorded |
| **Rights Transferred** | | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| **Transaction Price** | | $4,500,000 | $8,888,888 | $1,677,000 | $2,276,500 | $5,064,000 | $11,000,000 |
| **Analysis Price** | | $4,500,000 | $8,888,888 | $1,677,000 | $2,276,500 | $5,064,000 | $11,000,000 |
| **$/SF Land** | | $29.27 | $25.02 | $24.84 | $23.33 | $25.00 | $23.67 |

## Land Sales Location Map

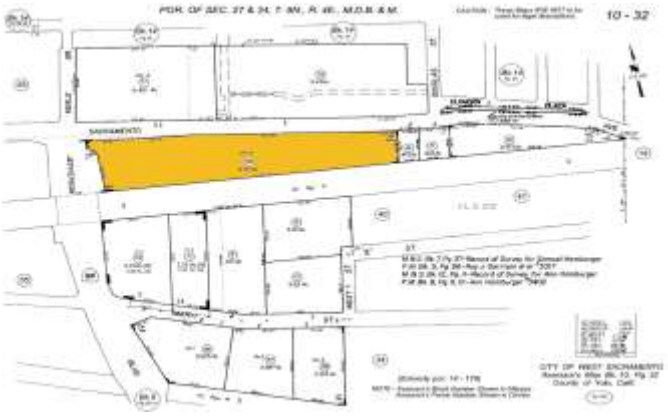



**Comparable Key**

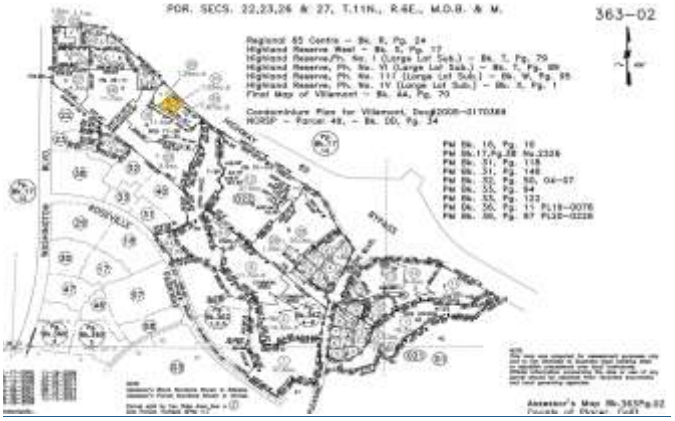
| Comp | Distance | Address | Sale Date | Acres | SF | $/SF |
|---|---|---|---|---|---|---|
| Subject | - | 701 Oak Avenue Parkway, Folsom, CA | - | 6.7 | 291,416 | - |
| No. 1 | 23.3 Miles | 7007 South Land Park Drive, Sacramento, CA | 4/28/2026 | 3.5 | 153,766 | $29.27 |
| No. 2 | 21.6 Miles | 851 Sacramento Avenue, West Sacramento, CA | 8/4/2026 | 8.2 | 355,318 | $25.02 |
| No. 3 | 12.3 Miles | 1726 Freedom Way, Roseville, CA | 1/15/2026 | 1.6 | 67,518 | $24.84 |
| No. 4 | 20.3 Miles | 2270 Del Paso Road, Sacramento, CA | 7/1/2025 | 2.2 | 97,574 | $23.33 |
| No. 5 | 8.7 Miles | 2720 Kilgore Road, Rancho Cordova, CA | 4/29/2025 | 4.7 | 202,553 | $25.00 |
| No. 6 | 2.4 Miles | 14533 Alder Creek Pkwy, Folsom, CA | 7/3/2025 | 10.7 | 464,785 | $23.67 |

## Land Sales Exhibits

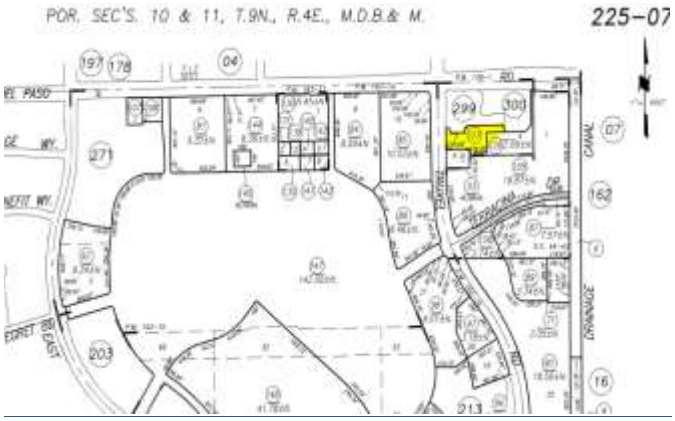
**Comparable 1**




**Comparable 2**




**Comparable 3**




**Comparable 4**

**Comparable 5**

**Comparable 6**

# Land Sales Adjustment Table

| Comparable | Subject | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 | Comparable 5 | Comparable 6 |
|---|---|---|---|---|---|---|---|
| **Name** | Vacant BP Zoned Land | Commercial Land | Vacant Land | Retail Lot | Commercial Land | Commercial Land | Apartments Site |
| **Address** | 701 Oak Avenue Parkway | 7007 South Land Park Drive | 851 Sacramento Avenue | 1726 Freedom Way | 2270 Del Paso Road | 2720 Kilgore Road | 14533 Alder Creek Pkwy |
| **City** | Folsom | Sacramento | West Sacramento | Roseville | Sacramento | Rancho Cordova | Folsom |
| **Acres** | 6.69 | 3.53 | 8.16 | 1.55 | 2.24 | 4.65 | 10.67 |
| **SF** | 291,416 | 153,766 | 355,318 | 67,518 | 97,574 | 202,553 | 464,785 |
| **Zoning** | BP-PD | C-2-EA-2 | MU-NC | PD/SA-NC | EC-50 | OPMU | MHD |
| **Flood Zone** | Zone X (Shaded) | X | X500 | X | A99 | X | X |
| **Corner** | Yes | No | Yes | No | No | Yes | Yes |
| **Topography** | Level | Level | Level | Level | Level | Level | Level |
| **Utilities** | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **Sale Information** | | | | | | | |
| **Date** | | 4/28/2026 | 8/4/2026 | 1/15/2026 | 7/1/2025 | 4/29/2025 | 7/3/2025 |
| **Status** | | Recorded | Listing | Recorded | Recorded | Recorded | Recorded |
| **Rights Transferred** | | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| **Analysis Price** | | $4,500,000 | $8,888,888 | $1,677,000 | $2,276,500 | $5,064,000 | $11,000,000 |
| **Price/SF** | | $29.27 | $25.02 | $24.84 | $23.33 | $25.00 | $23.67 |
| **Transactional Adjustments** | | | | | | | |
| **Property Rights** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Financing** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Conditions of Sale** | | 0% | -5% | 0% | 0% | 0% | 0% |
| **Expenditures After the Sale** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Market Conditions[1]** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Subtotal Transactional Adj Price** | | $29.27 | $23.77 | $24.84 | $23.33 | $25.00 | $23.67 |
| **Property Adjustments** | | | | | | | |
| **Location** | | 0% | 5% | 0% | 5% | 5% | 0% |
| **Size** | | -10% | 0% | -15% | -15% | -10% | 5% |
| **Exposure** | | 0% | 0% | 0% | 0% | 5% | 0% |
| **Access** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Shape** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Zoning** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Flood Zone** | | 0% | 0% | 0% | 10% | 0% | 0% |
| **Topography** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities** | | 0% | 0% | 0% | 0% | 0% | 0% |
| **Approvals** | | -5% | 0% | 0% | 0% | -5% | -5% |
| **Subtotal Property Adjustment** | | -15% | 5% | -15% | 0% | -5% | 0% |
| **Total Adjusted Price** | | **$24.88** | **$24.95** | **$21.11** | **$23.33** | **$23.75** | **$23.67** |

| Statistics | Unadjusted | Adjusted |
|---|---|---|
| **Low** | $23.33 | $21.11 |
| **High** | $29.27 | $24.95 |
| **Median** | $24.92 | $23.71 |
| **Average** | $25.19 | $23.62 |

[1] Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 7/31/26

## Land Sales Analysis

The comparable land sales indicate an adjusted value range from $21.11 to $24.95/SF, with a median of $23.71/SF and an average of $23.62/SF.

**Discussion of Adjustments**

- **Conditions of Sale** - Comparable 2 is currently listed for sale and is adjusted downward for conditions of sale due to a buyers opportunity to negotiate a lower sale price.
- **Location** – Comparables 2, 4 and 5 are located in inferior submarkets and are adjusted upward for inferior locations. Based on discussions with market participants, these properties are inferior in terms of location.
- **Size** – Due to economies of scale, smaller properties tend to sell at a higher dollar per square foot amount compared to larger properties and vice versa. Comparables 1, 3, 4 and 5 are adjusted downward for smaller size. Comparable 6 is larger in size and is adjusted upward for size.
- **Exposure –** Comparable 5 is adjusted upward for inferior exposure along secondary corridors.
- **Flood Zoning –** Comparable 4 is adjusted upward for flood hazard zones and limits development potential.
- **Approvals –** Comparables 1, 5 and 6 are adjusted downward for approvals and entitlements.

## Calculation of Land Value

Four of the primary sales provide an adjusted average of $23.91/SF. For this analysis, a price per SF indication of $24/SF is concluded for the subject. The subject could have a maximum of 200 units (6.69 acres x 30 units/acre). The value conclusion equates to $34,877 per unit. The concluded value of $7,000,000 is slightly below the offer submitted by the city of Folsom, but is also slightly higher than a majority of the offers received.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

**Calculation of Land Value**

| Comp | Analysis Price | Adjustment Transactional[1] | Adjustment Adjusted | Adjustment Property[2] | Adjustment Final | Net Adj % | Gross Adj % | Overall Comparison |
|---|---|---|---|---|---|---|---|---|
| 1 | $29.27 | 0% | $29.27 | -15% | **$24.88** | -15% | 15% | Primary |
| 2 | $25.02 | -5% | $23.77 | 5% | **$24.95** | -0% | 10% | Secondary |
| 3 | $24.84 | 0% | $24.84 | -15% | **$21.11** | -15% | 15% | Secondary |
| 4 | $23.33 | 0% | $23.33 | 0% | **$23.33** | 0% | 30% | Primary |
| 5 | $25.00 | 0% | $25.00 | -5% | **$23.75** | -5% | 25% | Primary |
| 6 | $23.67 | 0% | $23.67 | 0% | **$23.67** | 0% | 10% | Primary |
| **Low** | **$21.11** | | | | | **Average** | | **$23.62** |
| **High** | **$24.95** | | | | | **Median** | | **$23.71** |

| Component | Subject SF | | $/SF Conclusion | | Value |
|---|---|---|---|---|---|
| Usable | 291,416 | x | $24.00 | = | $7,000,000 |

[1]Cumulative [2]Additive

Rounded to nearest $100,000

### Crosscheck to Value

Give that the subject is permitted to have a maximum density of 30 units per acre or 200 developable units per zoning standards, we have also looked at land sales on a per unit basis. The following table highlights multifamily land sales on a per unit basis and range from $21,930 to $41,509 per unit. The comparables bracket the subjects implied per unit value of $34,877 and is considered reasonable, but is at the higher end of the range.

**Land Sale Comparables**

| Comp | Location | Sale Date | Size AC | Size SF | Sale Price | Zoning | Density/AC | Price per Unit |
|---|---|---|---|---|---|---|---|---|
| 1 | 791 Harrington Way, Folsom | 6/27/2025 | 1.95 | 84,811 | $1,400,000 | BP-PD | 26.7 | $26,923 |
| 2 | 2450 W El Camino Ave, Sacramento | 12/12/2025 | 5.47 | 283,273 | $2,500,000 | R-2B | 21.0 | $21,930 |
| 3 | 14533 Alder Creek Pkwy, Folsom | 7/3/2025 | 10.67 | 464,785 | $11,000,000 | MHD | 24.8 | $41,509 |
| 4 | SWC Big Horn Blvd, Elk Grove | 7/1/2025 | 9.65 | 420,354 | $6,250,000 | SC | 25.0 | $25,934 |
| 5 | 5044 Peabody Road, Fairfield | 9/30/2025 | 9.75 | 424,710 | $5,500,000 | TS-PD | 18.0 | $31,429 |

## Reconciliation of Value Conclusions

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. The following table summarizes the opinions of the As-Is Market Value of the subject property's fee simple interest. Based on the overall quality of the data and analyses, and considering the decision-making process of the typical buyer profile of the subject asset, primary emphasis was placed on the land sales comparison approach, which is reflected in my final opinion of market value below.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

| Analysis of Value Conclusions | |
|---|---|
| **Valuation Indices** | **As-Is Market Value** |
| **Interest Appraised** | **Fee Simple** |
| **Date of Value** | **July 31, 2026** |
| **Final Value Conclusion** | **$7,000,000** |
| $/SF | $24/SF |
| Exposure Time | Six to Nine Months |
| Marketing Period | Six to Nine Months |

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Joe Esparza, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- Joe Esparza, MAI personally inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Joe Esparza, MAI completed the continuing education program for Designated Members of the Appraisal Institute.

August 5, 2026

Date

Joe Esparza, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of California License #AG031186
+1 916 724 5582
joe.esparza@colliers.com

August 5, 2026

Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act* (*ADA*). Colliers Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

Engagement Letter
Offering Memorandum
LOI
Valuation Glossary
Qualifications of Appraiser
Qualifications of Colliers International Valuation & Advisory Services

Colliers Valuation & Advisory Services

# Professional Service Agreement

1508 Eureka Way, Suite 250
Roseville, CA 95661
Main: +1 916 724 5582
www.colliers.com/valuationadvisory

July 15, 2026

Joe Esparza, MAI
Valuation Service Director
Direct +1 916.724.5582
joe.esparza@colliers.com

Pam Johns
Community Development Director
**City of Folsom**
50 Natoma Street
Folsom, CA 95630
916.461.6205
pjohns@folsom.ca.us

**RE: Appraisal of Vacant Land Zoned BP**

Dear Ms. Pam Johns:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below-stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

**PROFESSIONAL SERVICE AGREEMENT**
**("Agreement")**

| | |
|---|---|
| Project | Vacant Land Zoned BP ("Property") |
| Location | NEC East Bidwell Street & Oak Ave Pkwy, Folsom, CA |
| Project Description | 6.69 acres |
| Parties | Colliers International Valuation & Advisory Services, LLC ("CIVAS") and City of Folsom (herein at times referred to as "Client") |
| Intended User | The appraisal will be prepared for City of Folsom. Intended users include The Client. No other users are intended. |
| Intended Use | The intended use of this appraisal is to assist the client in making internal business decisions related to this asset. The report is not intended for any other use. |
| Signatories | The anticipated primary signatory appraiser will be Joe Esparza. |
| Purpose | To establish a potential purchase price |
| Type of Appraisal | CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document. |
| Rights Appraised | Fee Simple |
| Date of Value | Date of Inspection |

# Professional Service Agreement
Continued

| | |
|---|---|
| Scope of Work | CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.<br><br>Based on our discussions with the Client, the Client has requested the following valuation scenarios:<br>• As-Is<br><br>CIVAS anticipates developing the following valuation approaches:<br>• Sales Approach Only<br><br>An interior/exterior property tour of the subject property will be performed.<br><br>**Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.**<br><br>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. |
| Delivery | Draft Appraisal: Delivered 15 business days from the date of authorization, retainer payment, and receipt of property specific information.<br><br>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s). |
| Professional Fee | $3,600 |
| Expenses | Fees include all associated expenses. |
| No. of Reports | One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.<br><br>No printed copies will be delivered to the client. |
| Retainer | A retainer of 50% of the fee is required prior to our proceeding.<br><br>To Pay By Check:<br>Please remit all payments to<br>Colliers International Valuation & Advisory Services<br>26791 Network Place<br>Chicago, IL 60673-1267<br>**Please include the property name or address on the memo line**<br><br>Wire Instructions:<br>JP Morgan Chase Bank, NA<br>Chicago, IL<br>70-2322/719<br>Account Name: Colliers International Valuation & Advisory Services, LLC<br>Account No. 899559074<br>ABA No. 021000021<br>ACH Payment Transit Routing Number: 071000013<br>Swift code for International Wires ONLY: CHASUS33<br>**Please include the property name or address in addenda/memo payment information**<br>Please send notification to CIVASAccounting@colliers.com when payment has been sent. |
| Payment Terms | CIVAS will invoice Client for the Appraisal in its entirety (Less Retainer) at the delivery of the draft report. When a full retainer has been paid, invoice and amount due are $0. Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed. |
| Acceptance Date | These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter. |

# Professional Service Agreement
Continued

## Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- Preliminary Title Report
- Site Map
- Current County Property Tax Bill
- Land Surveys

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

**Reliance Language - Non-Lender Client**

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Pam Johns, **City of Folsom**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

_____ Date: 7/13/26

**Pam Johns**
Community Development Director
**City of Folsom**

Respectfully,

**Colliers International Valuation & Advisory Services, LLC**

Joe Esparza, MAI
Valuation Service Director
Direct +1 916.724.5582
joe.esparza@colliers.com

## Terms and Conditions

## "T&C"

1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.

2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.

3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum $500 or at a rate of $250 per hour for associate time, $350 per hour for valuation services director, $400 per hour for managing director, and $450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.

4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.

5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.

6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within with this time period.

7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).

8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.

9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.

10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.

11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.

12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.

13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.

14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

# Professional Service Agreement
Continued

15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of $250 per hour for associate time, $350 per hour for valuation services director, $400 per hour for managing director, and $450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.

17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.

18) CIVAS agrees to maintain Professional Liability Insurance in the amount of $1,000,000 and General Liability insurance in the amount of $2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.

19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.

20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.

21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

cvas_dp_Asssumption.No cvas_dp_Securitization.CMBS.Reliance.Language

KRONICK

KRONICK
MOSKOVITZ
TIEDEMANN
& GIRARD

**AMARA HARRELL**
aharrell@kmtg.com

July 17, 2026

**VIA E-MAIL**

Peter Nixon
Newcastle Properties
E-Mail: peter.nixon@newcastlepg.com

Kris Riley
Newcastle Properties
E-Mail: kris.riley@newcastlepg.com

Re: **UPDATED NON-BINDING LETTER OF OFFER TO PURCHASE CERTAIN REAL PROPERTY LOCATED AT THE NORTHEAST CORNER OF EAST BIDWELL STREET & OAK AVENUE PARKWAY ~6.69 ACRES (the "PROPERTY")**

Dear Gentleman:

On behalf of the City of Folsom ("City"), this letter is the City's non-binding Updated Letter of Offer that summarizes the basic terms and conditions under which the City proposes to purchase the Property. The purchase is subject to the preparation and approval of a mutually acceptable purchase agreement with Lakeside Church ("Seller"), and the approval of the City Council prior to execution of the purchase agreement. The general terms and conditions under which the City offers to enter into a binding purchase and sale agreement are set forth below.

1. **Subject Property**. ~6.69 Acres of Real Property on the Northeast Corner of East Bidwell Street & Oak Avenue Parkway.

2. **Purchase Price**. The purchase price for the Property shall be Seven Million One Hundred Thousand Dollars ($7,100,000) (the "Purchase Price") to be paid in cash at close of escrow. Folsom City Council to confirm Purchase Price with appraisal assessment at their regular meeting on August 11, 2026, by authorizing the City Manager to execute the purchase and sale agreement and to appropriate funds for the purchase.

3. **Escrow**. Escrow shall be opened no later than three (3) business days after mutual execution of a purchase agreement.

4. **Deposit**. Within three (3) business days after mutual execution of a purchase agreement, the City shall deposit one percent (1%) of the Purchase Price into an interest bearing escrow account (the "Deposit"). Upon completion of the Due Diligence Period, the Deposit shall become non-refundable, but applicable to

the Purchase Price at close of escrow. The Deposit shall be fully refunded at any time prior to the expiration date of the Due Diligence Period or in the event of a Seller default.

5. **Seller's Studies.** Within five (5) days after mutual execution of the purchase agreement, Seller agrees to provide to the City (to the extent in Seller's possession or control) true, correct and complete copies of environmental reports, surveys, property condition reports, engineering studies, notices from local, state and federal government agencies, leases (including amendments thereto) in connection with the Property, and any service and maintenance agreements and other contracts that will affect the Property after closing, and other documents reasonably requested by the City to assist the City in its feasibility study (collectively, the "Seller Documents").

6. **Conditions.** The City's obligation to purchase the Property shall be subject to the following conditions, which must be satisfied or waived on or before forty-five (45) days from the date a purchase agreement is executed by both parties ("Due Diligence Period"), as may be extended as set forth below:

(a) The City's approval of the conditions of title to the Property and issuance at close of escrow of a CLTA policy of title insurance in a form satisfactory to the City. The City will provide the Seller with a written determination of the acceptability or rejection of title exceptions.

(b) The City's approval of all environmental conditions of the Property, laws affecting the Property, any existing improvements located on the Property, and the City's review and approval of any other matters affecting the Property which the City may deem, in the City's sole discretion, to be pertinent to the ability of the City to use or develop the Property for the City's intended use. The City shall be allowed access to the Property to conduct testing and investigations, including a Phase I assessment, and the City shall indemnify the Seller from any loss resulting from such entry. If the Phase I assessment study recommends additional Phase II testing of the Property, Seller agrees to extend the Due Diligence period to accommodate such testing.

(c) Seller has completed and recorded a lot line adjustment to create the Property parcel.

7. **Close of Escrow**. Close of escrow shall occur within fifteen (15) days after expiration of the Due Diligence Period.

8. **Escrow Holder.** The parties to mutually select.

9. **Closing Costs**. Seller shall pay for the CLTA title insurance premium and the City shall pay the cost differential for an ALTA policy. Escrow fees shall be split 50/50 and all other costs shall be paid as is standard and customary in the County of Sacramento, California.

10. **Brokerage Fees**. The City shall not be required to pay any brokerage fees.

11. **Approvals.** The purchase agreement shall be subject to the approval of the City Council.

12. **Marketing of the Property.** Seller agrees not to market the Property to other potential buyers or accept other offers while the parties are negotiating the Agreement.

13. **Expression of Intent**. This letter shall not constitute a formal and binding agreement. This letter reflects the City's and the Seller's present understanding of the terms and conditions of the proposed transaction and the City and Seller expect that the definitive agreement, which is negotiated between the City and the Seller with respect to this transaction, will be generally consistent with the foregoing material business terms. This letter shall not create any legal rights or obligations between the City and the Seller. It is intended that all legal rights and obligations between the City and the Seller will come into existence only when a definitive agreement is signed and delivered by both parties after approval of the City Council.

If the terms contained in this Letter of Offer are acceptable, please indicate agreement by signing below. On behalf of the City, I look forward to hearing from you with regard to this matter.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation

Amara Harrell

AMARA HARRELL

cc: Pam Johns (via email: pjohns@folsom.ca.us)
Bryan Whitemyer (via email: bwhitemyer@folsom.ca.us)
Sari Dierking (via email: sdierking@folsom.ca.us)

**ACKNOWLEDGED AND APPROVED BY SELLER**

By: _____

Name: _____

Title: _____

Date: _____

# FOR SALE

## $6,835,000

## PRIME INFILL LAND OPPORTUNITY

## NORTHEAST CORNER OF EAST BIDWELL STREET & OAK AVENUE PARKWAY

FOLSOM, CALIFORNIA

±6.69 ACRES

**CALL FOR OFFERS BY JULY 15, 2026 AT 5:00 PM**

**Peter Nixon**
916 259 4453
peter.nixon@newca com
Lic. 00975548

**Kris Riley**
916 259 4454
kris.riley@newcastl m
Lic. 01290492


FOLSOM FOOTHILLS

NEWCASTLE PROPERTIES GROUP

# THE OPPORTUNITY

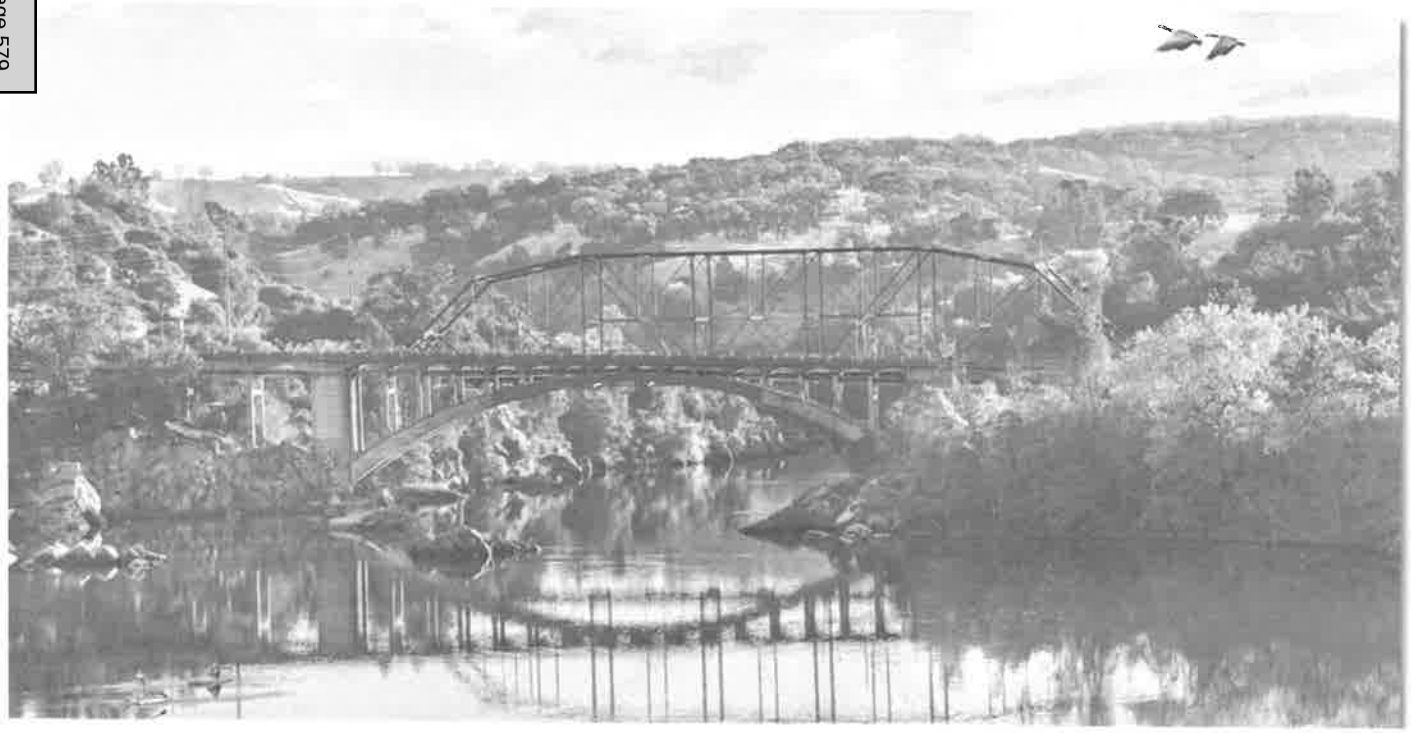
*The Lakeside Church excess land has never before been available to purchase. The property is an extremely well located infill site ideal for a multifamily product at a time when demand and funding have never been greater. This property is arguably the best available multifamily property in the entire Sacramento region.*

Folsom is a well planned city that has experienced explosive residential growth over the last two decades. The City has been collecting "in lieu" affordable housing fees, largely from single family home builders, for years. The City's Housing Services Agency now has a huge "bucket" of approximately $22 million in unspent funds as of May 2026. These funds are primarily earmarked to provide gap funding loans to developers of affordable housing projects.

While the City of Folsom has entertained hosting a "Request For Proposals" (RFP) process to match developers, properties and funds, and even considered City acquisition of potential affordable housing sites, the City has not done either to date. However, the City of Folsom will continue to consider affordable housing funding applications on an individual property basis to assist developers in completing projects.

Prospective purchasers interested in pursuing a housing opportunity should contact Stephanie Traylor Henry, the Housing Services Director at the City of Folsom directly (916.461.6208 and shenry@folsom.ca.us).

- **Abundant Parks & Recreational Opportunities**
- **Access to Hwy 50 & Arterial Roadways**
- **Bidwell is a Major Retail Corridor**
- **Established Community & Newer Amenities**
- **Excellent Public Schools Nearby**
- **Grocery Stores and Restaurants Nearby**
- **Low Crime Rate**
- **Major Medical Services Proximate (Dignity Health, Kaiser, and Sutter)**
- **Public Transit in Walking Distance**
- **Rare Infill Location**
- **Strong Demographics**
- **Utilities and Services Available**
- **Vibrant Sense of Community**



FOLSOM FOOTHILLS

NEWCAST PROPERT GROUP

# THE BACK STORY

The City of Folsom, and particularly the Broadstone community, is no longer a hidden gem, as its 28% population growth from the years 2010 to 2025 demonstrates. However, Folsom still has a few great infill opportunities to "get in the action" of a well planned, and largely built-out community, with no opportunity better than this offering.

Lakeside Church and the City of Folsom have successfully grown in tandem. The previous owner of the property, Buzz Oates, provided Lakeside Church with a generous ±28 acre campus (mostly by donation) knowing that someday the opportunity would come for Lakeside to sell excess lands, and that day has come. At th northeast corner of East Bidwell Street and Oak Avenue Parkway there is approximately 6.7 acres of vacant excess land separated from the church facilities by Lakeside Church's parking field. Lakeside has elected to sell this land now.

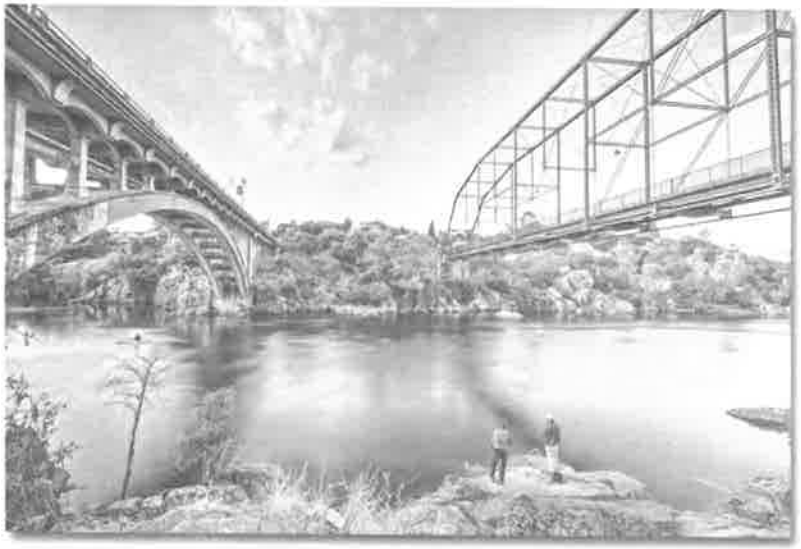
As Folsom has grown into an upscale community, this excess land has become increasingly well located and valuable. This acreage is now surrounded by excellent schools, convenient medical services, all types of retail amentities, and a multitude of restaurant choices. All of these immediate amenities are located within the backdrop of the excellent "Quality Of Life" that the City of Folsom offers its residents, including the American River Bike Trail, Lake Natoma kayaking, Folsom Lake boating, and walking, and Historic Old Town Folsom.

Recently, and appropriately, this property has been designated as a "RHNA housing" location by the City of Folsom due to its proximity to the aforementioned amenities; and the obvious need to provide more affordable housing options for the first time home buyers, the workforce community, students, seniors and others. In fact, this property is within walking distance of Folsom Lake College, which specifically provides an enhanced opportunity for student housing. The City of Folsom shows a "Regional Housing Needs Allocation" (RHNA) of 199 units of "inventoried" capacity and 221 units of "maximum" capacity for this acreage.

Tod his favorable RHNA designation, coupled with the high demand for well located and relatively reasonably priced for sale and for rent product, make this pro one of the very best residential infill development opportunities in the entire Sacramento region. Lakeside Church's engineers and land planners are we er way with creating the legal parcel to convey this property to a buyer to take advantage of this opportunity.

# FOLSOM, CALIFORNIA
## THIS SITE BY THE NUMBERS

- **Vista del Lago High School - 10 out of 10 ("Great Schools" rating)**
  (The Folsom Cordova Unified School District High School which serves this property)
  Note: Niche K-12 school rating of A+.
- **Median Household Income - $119,825**
  (2025 state of California Dept. of Finance & US Census Bureau)
- **Distance to Highway 50 - ±.5 miles**
- **Population of the City of Folsom - ±95,680**
  (2025 state of California Dept. of Finance & US Census Bureau)
- **Cost to Raft Down the American River - ±$85**
  (A 4-person raft, but doesn't include a ride home)
- **Medical Facilities in Close Proximity - 3**
  (Kaiser Medical Offices, Mercy Hospital and Sutter Medical Plaza are all within ±2 miles)
- **Regional Transit (SAC RT) Bus Stop Distance - ±.1 miles**
- **Distance to Trader Joe's - ±.4 Miles**
  (Bel Air, Whole Foods, Sam's Club, Wal-Mart, Sprouts and Target are also nearby)



FOLSOM
FOOTHILLS

NEWCASTLE PROPERTIES GROUP

# HEART OF FOLSOM

## NORTHEAST CORNER OF EAST BIDWELL STREET & OAK AVENUE PARKWAY FOLSOM, CALIFORNIA ±6.69 ACRES

## PROPOSED PARCEL

±6.69 Net Acres

Note: The area outlined above is not a legally separated and conveyable parcel at present.

## FRONTAGE IMPROVEMENTS

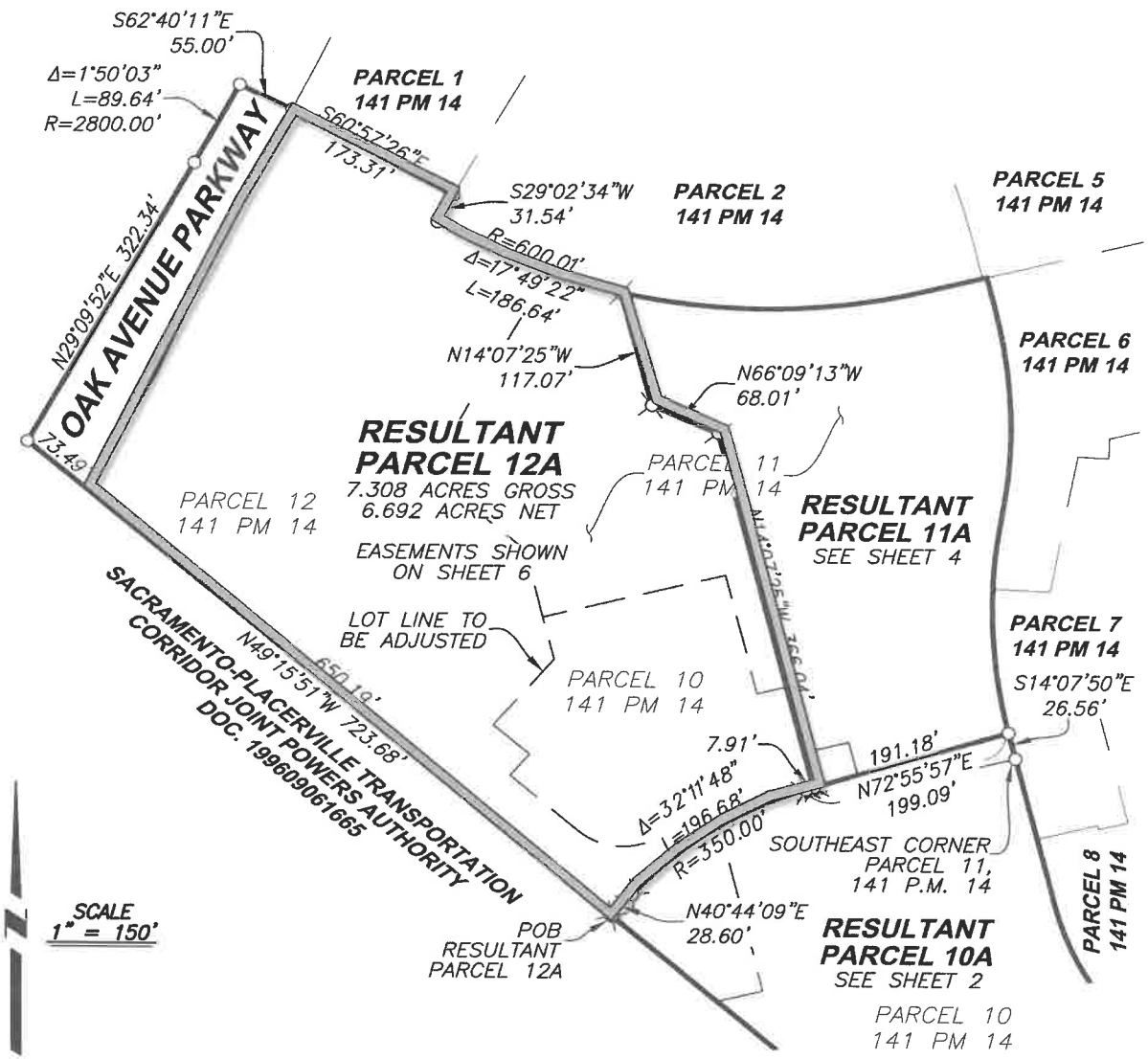
Curb, Gutter, Sidewalk & Street Lights in both Oak Avenue Parkway and East Bidwell Street.

## BONDS & ASSESSMENTS

Minimal

## UTILITIES TO SITE





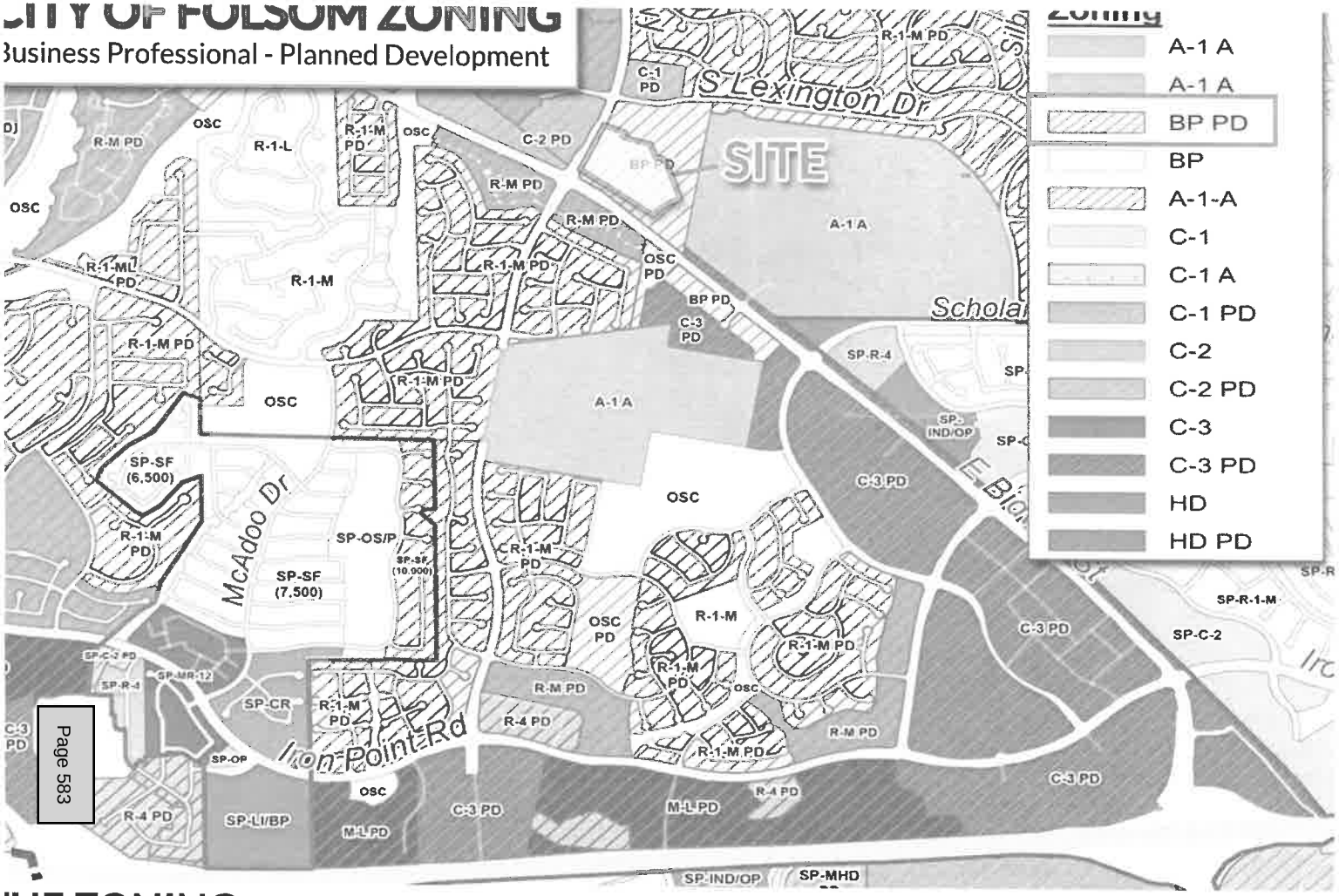

*The Buyer shall independently investigate and confirm the information provided above, elsewhere in this Offering Memorandum and the separately provided "Property Information Materials".*

FOLSOM FOOTHILLS

NEWCASTLE PROPERTIES GROUP

# CITY OF FOLSOM ZONING

Business Professional - Planned Development




## PRINCIPALLY PERMITTED USES:

- Colleges or K-12 Schools
- Banks / Financial Institutions
- Business or Professional Offices
- Medical & Dental Offices
- Public Facilities

## CONDITIONALLY PERMITTED USES

- Athletic Clubs
- Child Care Centers
- Hospitals
- Hotels
- Indoor/Outdoor Recreation
- Residential Care Homes
- Restaurants
- Senior Residential Complexes
- Veterinary Hospitals

*All uses are subject to City of Folsom and other governmental approvals. Owner and Broker make no representations as to the ability to obtain use permits, approvals, general plan amendments, rezones, environmental permits, or other entitlements.*

## 'HE ZONING

he property is zoned "Business Professional - Planned Development" with General Plan Land Use designation of "Professional/Office/East Bidwell Mixed se Overlay" within the City of Folsom. Consistent with the zoning, there are a umber of "principally permitted" uses and "conditionally permitted" uses that re allowed (some of which are shown here).

nportantly, this acreage was identified by the City of Folsom in the 2021-2029 ousing Element most recently (RHNA "Cycle 6") as a vacant or underutilized te designated for multifamily high density development, or mixed use evelopment, allowing residential densities of up to 30 units per acre.

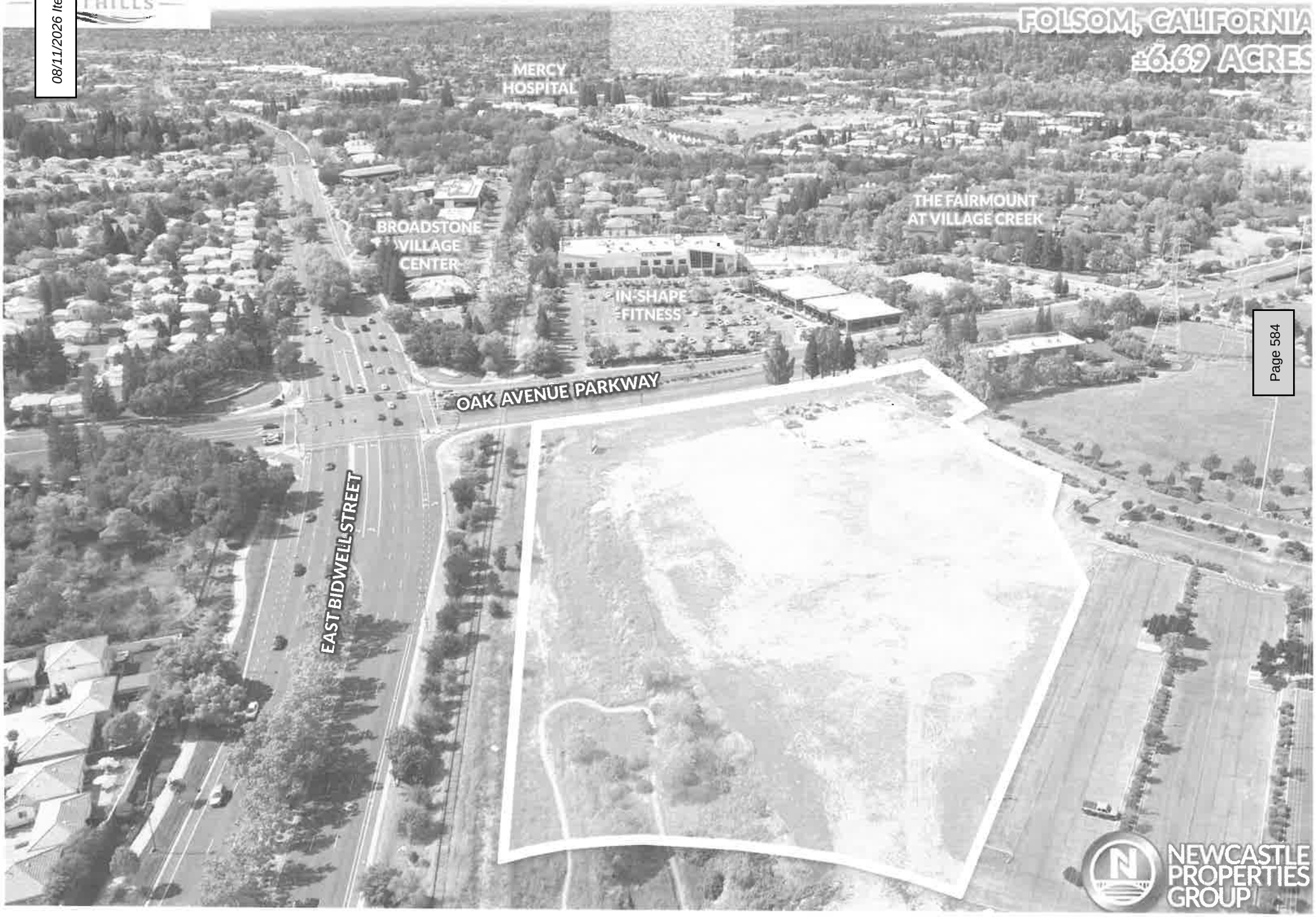
The City's Housing Element also specifies that this site has access to water, sewer, storm drainage, and other utilities.. The City's "Inventory Profile" for th site calls out a density of 20 to 30 dwelling units per acre, with a maximum site capacity of 221 total units. A General Plan overlay in 2024 established a minimum density of 30 units per acre, although affordable projects can be exempt from a local minimum density requirements and enjoy other "b ht" privileges. The City of Folsom also adopted "objective development st rds in 2025 to conform to the State of California housing laws.

*Note: The interaction between State of California laws and mandates, and local municipalities g elements, zoning regulations and lot development standards should be fully investigated by pr ive Buyers. The Seller and Broker make no representations or warranties to third parties as to the accuracy of*

# NORTHEAST CORNER OF EAST BIDWELL STREET & OAK AVENUE PARKWAY

FOLSOM, CALIFORNIA

±6.69 ACRES




NEWCASTLE PROPERTIES GROUP

## Valuation Glossary

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2024 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

**Absolute Net Lease**
A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

**Ad Valorem Tax**
A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

**Arm's-length Transaction**
A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

**As-Is Market Value**
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

**Assessed Value**
The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

**Average Daily Room Rate (ADR)**
In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

**Band of Investment**
A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

**Bias**
A preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment. *(USPAP)*

**Cash-Equivalent Price**
The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

**Common Area**
The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

**Contract Rent**
The actual rental income specified in a lease. *(15th Edition)*

**Cost Approach**
A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

**Curable Functional Obsolescence**
An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

**Debt Coverage Ratio (DCR)**
The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR).* (*Dictionary)*

**Deferred Maintenance**
Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

**Depreciation**
In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

**Direct Costs**
Expenditures for the labor and materials used in the construction of improvements; also called *hard costs. (Dictionary)*

**Discounted Cash Flow (DCF) Analysis**
The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

### Discount Rate
A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

### Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

### Easement
The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

### Economic Life
The period over which improvements to real estate contribute to property value. *(Dictionary)*

### Effective Age
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

### Effective Date
The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as the date of value. *(USPAP)*

### Effective Gross Income (EGI)
The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

### Effective Gross Income Multiplier (EGIM)
The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

### Effective Rent
The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

### Eminent Domain
The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

### Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

### Entrepreneurial Profit
A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

### Excess Land
Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

### Excess Rent
The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

**Expense Stop**
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

**Exposure Time**
An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

**Extraordinary Assumption**
An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

**External Obsolescence**
A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

**Fair Market Value**
In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.
As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

**Feasibility Analysis**
A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

**Fee Simple Estate**
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. *(Dictionary)*

**Floor Area Ratio (FAR)**
The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

**Functional Obsolescence**
The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

**Functional Utility**
The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

**Furniture, Fixtures, and Equipment (FF&E)**
Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

**Going-concern**
An established and operating business having an indefinite future life. *(Dictionary)*

**Going-concern Value**
An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. *(Dictionary)*

**Gross Building Area (GBA)**
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

**Gross Leasable Area (GLA)**
Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

**Gross Living Area (GLA)**
Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

**Highest & Best Use**
The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of

an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

### Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

### Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

### Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

### Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

### Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

### Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

### Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

### Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

### Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

### Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

### Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

### Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

### Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell

after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

### Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. ( *12 CFR, Part 34, Subpart C - Appraisals, 34.42(h))*.

### Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

### Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

### Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease*, or *fully net lease. (Dictionary)*

### Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

### Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

### Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs. (Dictionary)*

### On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

### Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

### Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

### Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

### Personal Inspection

For an appraisal assignment, the appraiser's in-person observation of the subject property performed as part of the scope of work. An appraiser's personal inspection is typically limited to those things readily observable without the use of specialized equipment. A personal inspection is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator. *(USPAP)*

### Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

### Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

### Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

### Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

### Qualitative Adjustment
An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

### Quantitative Adjustment
In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

### Rentable Area
The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

### Replacement Cost
The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

### Replacement Cost for Insurance Purposes
The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

### Reproduction Cost
The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

### Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

### Sales Comparison Approach
The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

### Scope of Work
The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:
The extent to which the property is identified;
The extent to which tangible property is inspected;
The type and extent of data researched; and
The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

### Shopping Center Types
Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.
Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.
Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.
Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

### Sum of the Retail Values
The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market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value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

**Superadequacy**

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

**Surplus Land**

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

**Tenant Improvements (TIs)**

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

**Usable Area**

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

**Useful Life**

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

**Vacancy and Collection Loss**

A deduction from potential gross income *(PGI)* made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss. (Dictionary)*

**Yield Capitalization**

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*

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Senior Valuation Services Director
Valuation & Advisory Services

joe.esparza@colliers.com
Direct: +1 916 724 5582
Fax: +1 916 724 5634
colliers.com

1508 Eureka Road
Suite 250
Roseville, CA 95661
United States

# Joe Esparza, MAI

## Area of Expertise

Joe Esparza is a Senior Valuation Services Director in the Valuation & Advisory Services Group's Roseville office in the Northern California Region. Mr. Esparza's primary geographical area of expertise is the greater Northern California region including the Sacramento area, Central Valley, Bay Area, and Lake Tahoe area. Mr. Esparza is a certified general appraiser and is a member of the Appraisal Institute. He holds a California State Certified General Appraiser license.

## Affiliations or Memberships

Member – Appraisal Institute

California Office of Real Estate Appraisers, Certified General Appraiser License ID #AG031186

## Professional Background

For the past six years, Mr. Esparza has specialized in the valuation of commercial properties including office, retail, net leased investment, industrial, land and multifamily. Prior to joining Colliers International Valuation & Advisory Services, Mr. Esparza worked as a Senior Appraiser for CBRE in Sacramento, CA.

## Representative Clients and Projects

- Citibank
- Bank of America
- Chase
- Wells Fargo
- Farmers & Merchants
- Bank of the West
- Community West Bank
- Cathay Bank
- East West Bank

Appraisal experience includes the following types of assignments throughout Northern and Central California

- Office Buildings
- Medical Office Buildings
- Commercial Land
- Anchored Retail Centers
- Cold Storage
- Residential Land
- Industrial Buildings
- Residential Subdivisions
- Shopping Centers
- Industrial Land
- Apartment Complexes
- Mobile Home Parks

## Education or Qualifications

Bachelor of Arts Degree

In Economics

California State University at Sacramento

## State Certifications

California

Nevada

**Joe Esparza, MAI**
Senior Valuation Specialist
Valuation & Advisory Services

joe.esparza@colliers.com
Direct: +1 916 724 5582
Fax: +1 916 724 5634
colliers.com

1508 Eureka Road
Suite 250
Roseville, CA 95661
United States

## Significant Assignments

### Office

- Hall of Justice | 42,000 SF | Class C Office
- Bradshaw Business Park | 335,000 SF | Class C Flex Office
- Prospect Park | 123,000 SF | Class A Office Building
- One Capital Center | 19,000 SF | Class A Building
- 3300 Zinfandel Drive | 127,000 SF | Class B mid rise

### Retail

- Dublin Place | 190,000 SF | Anchored Retail Center
- Sierra Center | 75,000 SF | Class B 3-story
- Marketplace at Birdcage | 300,000 SF | Anchored Shopping Center
- Kohl's | 76,000 SF | Department Store

### Multifamily

- North Pointe Apartments | 312 Units | Class A garden complex
- Mesa Verde | 144 Units | Class B garden complex
- Lake Pointe | 232 Units | Class A garden complex

### Industrial

- Lathrop Industrial Park | 375,000 SF | Warehouse/Distribution Center
- Northbay Logistics Center | 838,000 SF | Distribution Center
- Beard Industrial Park | 131,000 SF | Distribution/Warehouse
- Western Unified Grocers | 890,000 SF | Cold Storage Warehouse/Distribution Center

### Land

- Mather Project | 639 Raw Acres | Residential mixed-use development
- Sycamore Creek Estates | 87 Acres | Residential Subdivision
- Ione Project | 134 Acres | Residential Finished Lots

Business, Consumer Services & Housing Agency

# BUREAU OF REAL ESTATE APPRAISERS

# REAL ESTATE APPRAISER LICENSE

**Joe A. Esparza**

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 031186

Effective Date: July 3, 2025
Date Expires: July 2, 2027

Angela Jemmott, Bureau Chief, BREA

3082727

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Colliers

# Valuation & Advisory Services

Accelerating success.

# Unlock strategic value with expert valuation services

In today's dynamic business climate, accurate property values are critical to confident decision-making. At Colliers, we deliver precise and data-driven valuations that empower informed real estate investment strategies — whether for acquisitions, financing, or portfolio optimization. Leveraging deep local market intelligence and Colliers' global reach, our experts provide insights into property fundamentals, competitive positioning, and market dynamics — giving investors, lenders, and owners a clear advantage.

We are defined by our unwavering commitment to service excellence, deep market experience, and platform efficiencies that empower our professionals to apply disciplined methodologies and consistently achieve high-quality results that exceed client expectations.

### Expertise that drives value

Our professionals bring deep market knowledge and valuation experience across a wide range of asset types, enabling smarter decisions and stronger outcomes. We deliver reliable, industry-leading valuations applying insights powered by proprietary data, advanced tools, and real-time market intelligence.

### Integrated platform that empowers performance

Our robust systems — including portfolio management tools and automation technology — streamline production and reporting, allowing our professionals to focus on what they do best: delivering high-impact valuations. This commitment to innovation drives efficiency and consistency across every engagement.

### Commitment to service excellence

From coast to coast, our disciplined team delivers a consistent, high-quality client experience — marked by fast turnaround times, clear communication, and dependable results. This standard of service reflects our culture of innovation, collaboration, and professionalism.

# Local expertise, global platform

450+

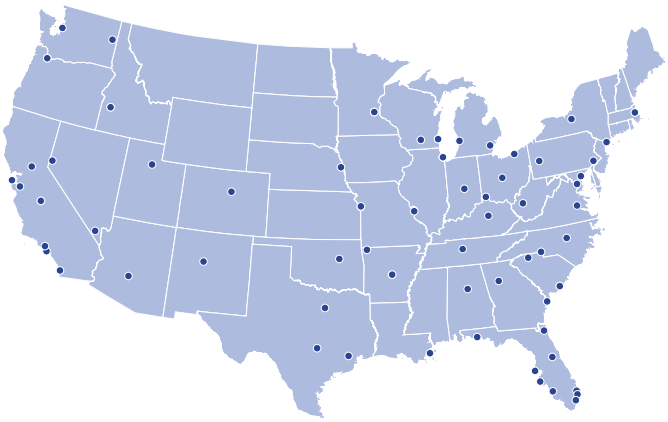
licensed appraisers and staff

30,000+

assignments completed annually

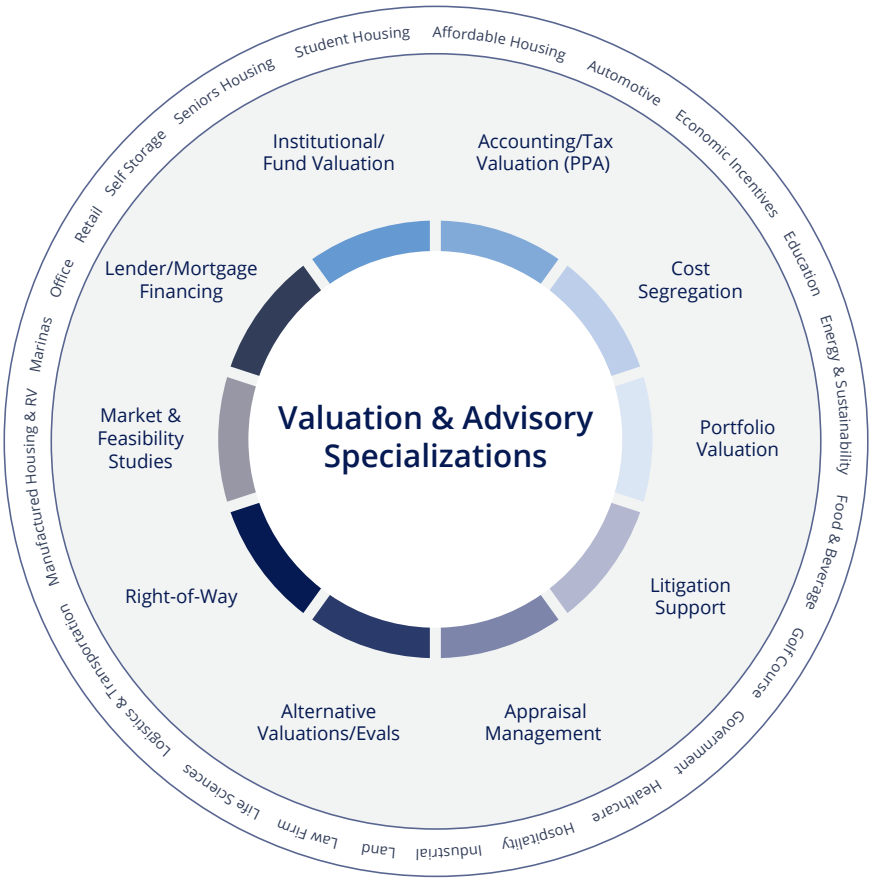
60+

Valuation & Advisory Services market locations across the country, Puerto Rico and the Caribbean



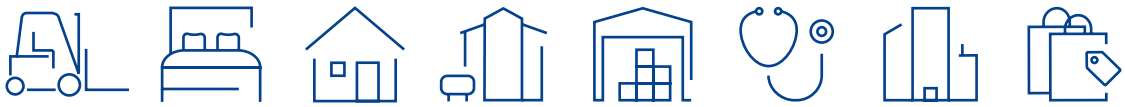
# Expertise across property types and enhanced advisory services

Offering a full suite of valuation and advisory services, our skilled professionals provide custom assessments that help companies and investors make informed investment decisions.




## Deep knowledge, broader capabilities

Our valuation professionals possess comprehensive expertise across all major property types nationwide. At the same time, most bring an extensive background in specific asset classes — allowing dedicated specialists to focus deeply on core property types and the market trends that matter most to our clients' bottom line.



Industrial | Hospitality | Manufactured Housing | Multifamily | Self-Storage | Healthcare | Office | Retail

## Advisory solutions that go further

Our capabilities extend beyond core and specialized valuations to include advisory services that help clients navigate complex financial scenarios and achieve strategic objectives, including servicing the portfolio and fund valuation requirements for a wide range of institutional investors.

Portfolio Valuation

Financial Reporting
Cost Segregation

Appraisal Management
Alternative Valuations
Litigation Support & Right-of-Way

# Global Recognitions

**Forbes**
2025, 2024, 2023 World's Best Employers

**IAOP**
Global Outsourcing 100: Recognized for 19 consecutive years

**TIME Magazine**
2025, 2024 World's Best Companies

**The Lipsey Company**
Top 25 Commercial Real Estate Brands (Top 3 for the last 8 years)

**Euromoney**
2025, 2024 World's Best Real Estate Adviser

# Valuation & Advisory Services National Leadership


**Jeremy Walling, MAI, MRICS**
President | US
Valuation & Advisory Services
Jeremy.Walling@colliers.com
+1 312 371 4920

**Jerry Gisclair, MAI, MRICS**
Executive Vice President
US Client Relations & Service
Jerry.Gisclair@colliers.com
+1 813 871 8531

**Jeff Shouse, MAI, CRE**
Executive Vice President
Western US
Jeff.Shouse@colliers.com
+1 916 724 5531

**PJ Cusmano, MAI, MRICS**
Executive Vice President
Eastern US
PJ.Cusmano@colliers.com
+1 813 229 1599

**Bruce Nell, MAI, AI-GRS, MRICS**
Senior Vice President | Advisory Services & Manufactured Housing Practice Leader
Bruce.Nell@colliers.com
+1 614 437 4687

**Anjanette "AJ" Hutson, MAI, AI-GRS**
Executive Managing Director
Quality Assurance
AJ.Hutson@colliers.com
+1 704 973 7202


## Our Experts

Click or Scan code to view Regional and Market Valuation Expert contact list.

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# ATTACHMENT 3

## PURCHASE AND SALE AGREEMENT

# AGREEMENT OF PURCHASE AND SALE

by and between

LAKESIDE CHURCH,

a California nonprofit corporation,

as SELLER

and the CITY OF FOLSOM,

a municipal corporation,

as BUYER

# AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") dated as of August __, 2026 ("Effective Date"), is made by and between Lakeside Church, a California nonprofit corporation ("Seller"), and the City of Folsom, a municipal corporation ("Buyer").

## WITNESSETH:

WHEREAS, Seller is the owner of that certain Property defined herein; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Property on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

## ARTICLE 1
## CERTAIN DEFINITIONS

"Affiliate" means any Person controlling, controlled by, or under common control with, another Person.

"Buyer's Transaction Expenses" means Buyer's actual, out of pocket costs incurred during the pendency of this Agreement in negotiating this Agreement or other agreements related to the Property, preparing architectural, engineering, and other plans and specifications to develop the Property, and the costs associated with the Third Party Reports, any Survey, the Title Commitment, and Buyer's other due diligence activities.

"City" means City of Folsom.

"Environmental Law" means (a) whenever enacted or promulgated, any applicable Federal, state, foreign or local law, statute, ordinance, rule, regulation, license, permit, authorization, approval, consent, court order, judgment, decree, injunction, code, requirement or agreement with any governmental entity, (i) relating to pollution (or the cleanup thereof), or the protection of air, water vapor, surface water, groundwater, drinking water supply, land (including land surface or subsurface), plant, aquatic and animal life from injury caused by a Hazardous Substance or (ii) concerning exposure to, or the use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, handling, labeling, production, disposal or remediation of any Hazardous Substance, or Hazardous Activity, as now or hereafter in effect, and (b) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations or injuries or damages due to or threatened as a result of the presence of, exposure to, or inadvertent ingestion of, any Hazardous Substance. The term Environmental Law includes, without limitation, the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act, the Federal Water Pollution Control Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resources Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste

Amendments to RCRA), the Federal Solid Waste Disposal Act, the Federal Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Occupational Safety and Health Act of 1970, the Federal National Environmental Policy Act, the Federal Hazardous Materials Transportation Act, the California Hazardous Waste Control Act, Health and Safety Code Sections 25100, et seq., the California Hazardous Substance Account Act, Health and Safety Code Sections 25330, et seq., the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Sections 25249.5, et seq., California Health and Safety Code Sections 25280, et seq. (Underground Storage of Hazardous Substances), the California Hazardous Waste Management Act, Health and Safety Code Sections 25170.1, et seq., California Health and Safety Code Sections 25501 et seq. (Hazardous Materials Release Response Plans and Inventory), the California Porter-Cologne Water Quality Control Act, Water Code Sections 13000 et seq., California Health and Safety Code Section 26316, each as now or hereafter in effect.

"Governmental Authority" means any federal, state or local government, authority, agency or regulatory body.

"Hazardous Activity" means any activity, process, procedure or undertaking which directly or indirectly (a) procures, generates or creates any Hazardous Substance; (b) causes or results in (or threatens to cause or result in) the release, seepage, spill, leak, flow, discharge or emission of any Hazardous Substance into the environment (including the air, soil, ground water, watercourses or water systems), (c) involves the containment or storage of any Hazardous Substance; or (d) would cause the Property or any portion thereof to become a hazardous waste treatment, recycling, reclamation, processing, storage or disposal facility within the meaning of any Environmental Law.

"Hazardous Substance" means (a) any substance, material, product, petroleum, petroleum product, derivative, compound, mineral (including asbestos), chemical, gas, medical waste, other pollutant, or mixture thereof, that is toxic, harmful or hazardous or acutely hazardous to the environment or public health or safety or (b) any substance supporting a claim under any Environmental Law, whether or not defined as hazardous as such under any Environmental Law. Hazardous Substances include, without limitation, any toxic or hazardous waste, pollutant, contaminant, industrial waste, petroleum or petroleum-derived substances or waste, radon, radioactive materials, asbestos, asbestos-containing materials, urea-formaldehyde foam insulation, lead paint and polychlorinated biphenyls.

"To the knowledge of Seller" or "Seller's knowledge" or words of similar import, when used in this Agreement, shall be deemed to refer to the current actual knowledge of Michael Klockenbrink at the times indicated only and not any implied, imputed or constructive knowledge, without any independent investigation having been made or any implied duty to investigate.

"Person" means an individual, partnership, limited partnership, limited liability company, association, corporation or other entity.

"Transaction" means the transaction contemplated in this Agreement.

## ARTICLE 2
## PURCHASE AND SALE OF PROPERTY

**Section 2.1 Sale.** Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

(a) Approximately 7.308 gross acres (6.692 net acres) of vacant land on the northeast corner of East Bidwell Street and Oak Avenue Parkway, located in Folsom, California, as further described on **Exhibit A** attached hereto, such land being referred to herein as (the "Real Property");

(b) any improvements situated on, or affixed or appurtenant to the Real Property (collectively, the "Improvements"); and

(c) all tenements, hereditaments, easements, rights-of-way, rights, privileges in and to the Real Property, if any, including (i) easements over other lands granted by any easement agreement, (ii) any streets, ways, alleys, vaults, gores or strips of land adjoining the Real Property, (iii) to the extent owned by Seller, any and all subsurface rights as to minerals, oil, gas and other hydrocarbon substances relating to the Real Property, and (iv) all sanitary sewer or other utility capacity, including any and all water and water rights, water and sewer taps, water meters, storm sewer or wastewater capacity or reservations and rights under utility agreements with any applicable governmental or quasi governmental entities or agencies with respect to the providing of utility services, and (v) entitlements, approvals, governmental rights, permits and licenses, and rights under governmental agreements, plans, plats, applications and registrations related to the Real Property (collectively, the "Appurtenances").

All of the items referred to in subparagraphs (a) through (c) above are collectively referred to as the "Property."

**Section 2.2 Purchase Price**.

(a) The total purchase price of the Property shall be equal to Seven Million One Hundred Thousand Dollars ($7,100,000) (the "Purchase Price").

(b) The Purchase Price shall be paid as follows:

(i) Within three (3) business days after the Effective Date, Buyer shall deposit in escrow ("Escrow") with Placer Title Company, Attn: Rhonda Pastrana, 1508 Eureka Road, Suite 150, Roseville, CA 95661, Tel. (916) 782-3711, E-mail rpastrana@placertitle.com (the "Title Company"), cash in the amount of Seventy-One Thousand Dollars ($71,000.00) (the "Deposit"). The Deposit shall be held in a federally-insured interest-bearing account and interest accruing thereon shall become part of the Deposit and shall be held for disposition, as part of the Deposit, in accordance with this Agreement, and any supplementary escrow instructions executed in accordance with Section 10.1 below.

(ii) The balance of the Purchase Price following application of the Deposit as provided above, shall be paid to Seller in immediately available funds via wire transfer at the consummation of the Transaction (the "Closing").

(c) The parties hereby acknowledge and agree that a portion of the Deposit equal to One Hundred Dollars ($100.00) (the "Independent Consideration") constitutes a payment

by Buyer to Seller which has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement. The Independent Consideration shall be disbursed to Seller immediately following Buyer's deposit thereof with Title Company. The Independent Consideration is non-refundable in all events. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement and the Deposit is returned to Buyer, Seller shall retain the Independent Consideration when the Deposit is returned to Buyer. The Independent Consideration shall not be applicable to the Purchase Price or treated as consideration given by Buyer for any purpose other than as provided herein. The parties intend and agree that the amount of the Independent Consideration is sufficient consideration for the rights and options extended to Buyer hereunder.

## ARTICLE 3
## INSPECTION PERIOD

**Section 3.1 Inspection Period**.

(a) Within five (5) days after the Effective Date, Seller shall provide Buyer with the due diligence items listed on **Exhibit B** (the "Due Diligence Materials") that are within the Seller's possession or control on or before the Effective Date. Seller, at its sole cost and expense, has instructed the Title Company to prepare for delivery to Buyer, as soon as practical, a preliminary title report ("Title Commitment") for the Property, together with copies of the recorded documents described as exceptions therein or electronic hyperlinks to such documents. Buyer shall have until the date that is forty-five (45) calendar days after the Effective Date to complete its due diligence investigation of the Property (such period referred to herein as the "Inspection Period"). During the Inspection Period, Buyer may review the Due Diligence Materials, conduct a physical inspection of the Property, conduct such other inspections with respect to the Property as Buyer deems advisable, and review reports with respect to the Property as Buyer deems advisable (collectively, the "Third Party Reports"), including but not limited to: (i) an engineering report, grading report, a property condition report, and a geotechnical report; (ii) an environmental assessment report; (iii) the Title Commitment and any other title report and commitment for title insurance or title insurance policies Buyer may choose to review; (iv) a current ALTA survey (the "Survey") which Buyer may elect to obtain at Buyer's cost; (v) an appraisal for the Property, (vi) a market study for Buyer's intended use of the Property and if obtained, to provide a copy to Seller, (vii) the merchantability, suitability or condition of the Property for any purpose or its fitness for any particular use, (viii) the profitability, legality and/or feasibility of owning, developing, operating and/or improving the Property either now or at any time in the future and related tax consequences, (ix) the physical condition of the Property, including, without limitation, any geological conditions relating to the Property, including soil conditions, soil and terrain stability, subsidence, subsurface conditions, earthquake faults, drainage, flood hazards, fire hazards, soil conditions, the current or former presence or absence of environmental hazards or hazardous materials, asbestos, radon gas, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Real Property, or in the vicinity of the Real Property, or its current or future uses, habitability, value or desirability, (x) the potential sales, rentals, income, costs or expenses thereof, (xi) the boundaries and the net or gross acreage, useable or unusable, contained therein, (xii) a zoning and entitlement analysis or report for the zoning of the Property, the existence of vested land use, zoning or building entitlements and permits affecting the Property, the necessity of any use permit or variance,

(xv) the condition of title, encroachments with respect to the Property, (xiii) Environmental Law and similar laws governing or relating to any Hazardous Activity, Hazardous Substance, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Property or its current or future uses, habitability, value or desirability, (xiv) water, gas, electricity, internet or other utilities available to the Property, (xv) any use restrictions, any environmental, protected, wetlands, habitat and flood control matters, (xvi) availability of and connection to sewer, septic, well systems and components and storm drain systems, (xvii) usages of adjoining real property and other neighborhood conditions, including, schools, proximity and adequacy of law enforcement and fire protection, crime statistics, noise or odor from any sources, landfills, proposed future developments, or other conditions or influences which may be significant to certain cultures or religions, or (xviii) any other past, present or future matter relating to the Property which may affect the Property or its current or future use, habitability, value or desirability (collectively with the Due Diligence Materials and Third Party Reports, the "Property Conditions").

**Section 3.2 Notice of Title Defects**.

(a) In the event the Survey, if any, obtained by Buyer (as may be updated) or the Title Commitment reflects encumbrances or other conditions not acceptable to Buyer ("Defects"), Buyer shall notify Seller in writing of such Defects (i) no later than the expiration of the Inspection Period with respect to the Survey, and (ii) no later than ten (10) business days after Buyer's receipt of the Title Commitment with respect to the Title Commitment. Seller shall have the option to elect to cure or not cure any or all of such Defects prior to the Closing Date by sending notice of Seller's election to Buyer within five (5) business days after Seller's receipt of Buyer's notice of Defects as to the Title Commitment or as to the Survey, if any. Seller's failure to deliver such election to Buyer within the time period specified above shall be deemed to constitute Seller's election not to eliminate or cure any such Defects. With respect to any Defects which Seller elects to cure, Seller shall thereupon diligently proceed to cure such Defects prior to the Closing Date as a condition to Closing for the benefit of the Buyer. With respect to any Defects which Seller has not agreed to cure (or has been deemed to have not agreed to cure), Buyer shall, no later than the later of (x) ten (10) business days after receipt of Seller's election notice or (y) the expiration of the Inspection Period, either waive such Defect (in which event such Defect shall be a Permitted Exception (as defined in Section 4.2)), or terminate this Agreement, in which case Buyer shall be entitled to the return of the Deposit, and the parties shall be released from further liability hereunder except as provided in those Sections which expressly survive the termination of this Agreement. Notwithstanding anything to the contrary contained herein, on the Closing Date, Seller shall be required, at Seller's sole cost and expense, to cure (i) all existing mortgages or other monetary liens on the Property by paying them off, and (ii) any and all encumbrances on the Property created by or resulting from an act or omission of Seller after the Effective Date. Seller's failure to cure the items Seller elects to cure or the items set forth in the immediately preceding sentence shall be a default by Seller hereunder. Seller will not cause any new encumbrances to be recorded against the Property after the Effective Date, except as may be approved by Buyer in writing, which approval shall not be unreasonably withheld so long as the new encumbrance does not increase the cost of developing the Property or adversely affect Buyer's Intended Use (in which case, Buyer may withhold consent in its sole discretion).

(b) Buyer shall have the right, at any time prior to Closing, to require the Title Company to update the Title Commitment. In the event that any such update of the Title Commitment shall reveal any new matters of title or other property conditions which were not disclosed in the previous version of the Title Commitment that are unacceptable to Buyer, then Buyer and Seller shall repeat the process to identify and resolve unacceptable matters as set forth in the preceding paragraph.

**Section 3.3 Access to Property prior to Closing**. Prior to Closing, Buyer, personally or through its authorized agents or representatives, shall be entitled, at Buyer's sole cost and expense, to enter upon the Property at all reasonable times in order to perform such investigations as Buyer shall deem necessary or desirable, including, without limitation, all soil and environmental tests and audits. Buyer shall inform Seller in advance of the vendor(s) which Buyer intends to utilize for on-site inspection and testing. Prior to access to the Property, such vendors shall provide Seller with a certificate of insurance for their general liability insurance policy with coverage limits of at least $1,000,000 combined single limit. Buyer shall inform Seller of the intended vendor work scope and date/time of intended work; provided that no invasive or subsurface testing or boring shall be performed unless Seller has approved the work plan for such testing or boring, which approval will not be unreasonably withheld. Seller shall not interfere with and agrees to cooperate with Buyer's activities and inspections undertaken with respect to the Property. Buyer shall not permit any liens or encumbrances to arise against the Property in connection with or as a result of such inspections, studies or investigations. Buyer shall repair any damage to the Property that is a direct result of Buyer's entering upon the Property to test, study, investigate or inspect the Property to as near as practicable to its original condition, and Buyer shall indemnify, defend and hold Seller and the Property harmless of and from any and all losses, liabilities, costs, expenses (including without limitation reasonable attorneys' fees and costs of court), damages, liens, claims (including without limitation mechanics' or materialmen's liens or claims of liens), actions and causes of action arising from or relating to Buyer's (or Buyer's agents, vendors, employees or representatives) entering upon the Property to test, study, investigate or inspect the Property, except to the extent caused by the negligence or willful misconduct of Seller; provided, however, under no circumstances shall Buyer be responsible for any pre-existing environmental conditions at the Property. The provisions of this Section 3.3 are intended to survive Closing or any earlier termination of this Agreement, as the case may be.

**Section 3.4 Termination Notice; Disposition of Initial Deposit; Return of Due Diligence Materials.** At any time on or before 5:00 p.m. Pacific Time on the last day of the Inspection Period, Buyer shall have the right to terminate this Agreement for any reason or no reason by providing written notice to Seller. If within such time period, Buyer fails to provide such written termination notice, or provides Seller with a written waiver of such right to terminate, then Buyer shall be deemed to have approved the Property Conditions and waived the right to terminate this Agreement within the Inspection Period. If Buyer terminates this Agreement before the expiration of the Inspection Period, then the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations hereunder except as provided in those Sections which expressly survive the termination of this Agreement. In the event this Agreement is terminated during or at any point after the Inspection Period, Buyer agrees to promptly return to Seller all Due Diligence Materials delivered to Buyer by Seller, along with, to the extent Seller requests such items and Purchaser can do so without the consent of the related third party (or with the consent of the related third party after a reasonable request), any environmental studies,

topographical maps, engineering reports, surveys or other items of third party due diligence that Buyer has procured in connection with investigation of the Property.

**Section 3.5 Required Disclosures.** Buyer and Seller acknowledge that Seller may be required to disclose if the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1103(c)(1)); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51178 et seq.); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4135; (v) earthquake fault zone (Public Resources Code Section 2622); or (vi) a seismic hazard zone (Public Resources Code Section 2696) (sometimes all of the preceding are herein collectively called the "Natural Hazard Matters"). Buyer and Seller hereby instruct the Title Company, or an affiliate thereof (who, in such capacity, is called the "Natural Hazard Expert"), at Seller's expense, to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations, if and to the extent such obligations exist, with respect to the natural hazards referred to in California Civil Code Section 1103 et seq. and to report the result of its examination to Buyer and Seller in writing. The written report prepared by the Natural Hazard Expert regarding the results of its full examination (the "Natural Hazard Disclosure Statement") will fully and completely discharge Seller from its disclosure obligations referred to in this Section 3.5, if and to the extent any such obligations exist, and, for the purpose of this Agreement, the provisions of Civil Code Section 1103.4 regarding nonliability of Seller for errors or omissions not within its personal knowledge shall be deemed to apply and the Natural Hazard Expert shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. Buyer agrees to, promptly after Seller's written request thereof, provide Seller with a standardized form of acknowledgment of its receipt of the Natural Hazard Disclosure Statement.

## ARTICLE 4
## TITLE

**Section 4.1 Transfer of Title.** At the Closing, Seller shall convey to Buyer title to the Real Property by good and sufficient Grant Deed in the form attached hereto as **Exhibit C** (the "Deed").

**Section 4.2 Evidence of Title.** Delivery of title in accordance with Section 4.1 shall be evidenced by the willingness of the Title Company to issue, at the Closing, its standard Owner's American Land Title Association Policy of Title Insurance (the "Title Policy") in the amount of the Purchase Price showing title to the Real Property, Improvements, and the Appurtenances vested in Buyer, and subject to no exceptions other than the following ("Permitted Exceptions"):

(i) non-delinquent liens for local real estate taxes and assessments;

(ii) matters affecting the condition of title to the Property created by or resulting from the acts of Buyer;

(iii) title matters shown in the Title Commitment or matters depicted on the Survey which Buyer has accepted or has been deemed to accept in accordance with Section 3.2 above, or, if Buyer fails to procure a Survey, that are ascertainable by a reasonable inspection and survey of the Property;

(iv) except for Defects that Buyer has objected to pursuant to the process set forth in Section 3.2 above, all other matters of public record recorded against the Property; and

(v) such other exceptions as Buyer has approved or waived in writing.

## ARTICLE 5
## REPRESENTATIONS AND WARRANTIES

**Section 5.1 Representations and Warranties of Seller.** Seller represents and warrants to Buyer that:

(a) Seller is a corporation, duly organized, validly existing and in good standing under the laws of the State of California. This Agreement (i) has been duly authorized, executed and delivered by Seller, (ii) constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies ("Creditor's Rights and Equity"), and (iii) does not violate any of Seller's charter documents or any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. All other documents executed by Seller which are to be delivered to Buyer at the Closing (x) are or at the time of the Closing will be duly authorized, executed and delivered by Seller, (y) are or at the time of the Closing will be legal, valid and binding obligations of Seller enforceable against Seller in accordance with their terms except as such enforceability may be limited by applicable Creditor's Rights and Equity, and (z) do not and at the time of the Closing will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(b) Neither Seller nor any of the members of Seller is a Specially Designated National or Blocked Person. As used herein, the term "Specially Designated National or Blocked Person" shall mean a person or entity (i) designated by the Department of Treasury's Office of Foreign Assets Control, or other governmental entity, from time to time as a "specially designated national or blocked person" or similar status, (ii) described in Section 1 of U.S. Executive Order 13224 issued on September 23, 2001, or (iii) otherwise identified by government or legal authority as a person or entity with whom Buyer or its affiliates are prohibited from transacting business.

(c) Seller has not been the subject of any filing of a petition under the United States Bankruptcy Code, 11 U.S.C.A. §§ 101 et seq. or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to Seller's knowledge, threatened against Seller, nor are any such proceedings contemplated by Seller. Seller has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy, or admitted in writing its inability to pay

its debts as they come due or made an offer of settlement, extension or composition to its creditors generally, and Seller has received no written notice of: (i) the filing of any involuntary petition by Seller's creditors; (ii) the appointment of a receiver to take possession of Seller's assets; or (iii) the attachment or other judicial seizure of Seller's assets.

(d) To the knowledge of Seller, no Hazardous Material have been disposed of, or identified on, under or at the Real Property except in quantities customarily used and in compliance with Environmental Laws. Seller has not received written notice from any political or quasi-political authority, subdivision, agency, department, court, commission, board, bureau or instrumentality of any of the foregoing asserting jurisdiction over any of the parties hereto or over the Property, that the Real Property is or may be in violation of any applicable federal, state or municipal law, ordinance or regulation regarding Hazardous Material. No lien exists, nor is any lien threatened against, all or any portion of the Real Property because of the existence of any substance, material or pollutant in violation of any Environmental Laws. To the knowledge of Seller, there are no underground storage tanks located on or under the Real Property.

(e) There is no litigation filed against Seller or the Property that would adversely affect the ability of Seller to perform its obligations under this Agreement**.**

(f) Except as described in this Agreement, Seller has not received nor has knowledge of any written notice of any condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would adversely affect either the use and operation of the Property for its present use or the value of the Property.

(g) Seller has not granted any lease, option, purchaser or other property rights in the Real Property to any other party, and at Closing, no party other than Purchaser will be entitled to possession or use of the Real Property or any portion thereof.

(h) To the knowledge of Seller, no representation or warranty of Seller in this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements or facts therein not misleading.

The foregoing representations and warranties and any and all other representations and warranties of Seller contained herein shall survive the Closing Date for a period of twelve (12) months. All claims and actions by Buyer for and change or breach of any representations or warranties shall be brought on or before expiration of such survival period or be barred.

Seller agrees to give prompt written notice of any breach of any of the foregoing representations to Buyer after notice or discovery thereof by Seller. If any of the foregoing representations becomes untrue after the Effective Date because of a change in circumstances, and Seller does not elect to cure such matters within ten (10) days after Seller's receipt of a written request from Buyer to do so, then Buyer, at its sole and exclusive option, may either (A) close and consummate the transaction contemplated by this Agreement, without reduction in the Purchase Price or (B) terminate this Agreement by written notice to Seller, whereupon (I) if such change or breach was within the control of Seller and intentional (an "Intentional Breach"), then the Title Company shall return the Deposit to Buyer, reimburse Buyer for Buyer's Transaction Expenses not to exceed the cap set forth in Section 10.5(a) and the parties shall have no further rights or obligations hereunder,

or (II) if such change or breach was not within the control of Seller and unintentional (an "Unintentional Breach"), then the Title Company shall return the Deposit to Buyer and in either case of clauses (I) or (II), the parties shall have no further rights or obligations hereunder. The Closing Date shall be postponed automatically, if necessary, to permit the full running of such 10-day period. Notwithstanding the foregoing, in the event Seller caused the material breach or had actual knowledge about the inaccuracy of the representation or warranty prior to the Effective Date, such change or breach shall be deemed a Seller's Default (hereinafter defined) hereunder and Buyer shall have the rights and remedies set forth in Section 10.5(a) hereof.

**Section 5.2** Disclaimer of Representations and Warranties by Seller-AS IS/WHERE IS.

(a) Except as otherwise expressly provided in this Agreement, Seller does not make any representations, guaranties, promises, statements, assurances or warranties of any kind or nature whatsoever, express or implied with respect to the Property, or Property Conditions, including without limitation, as to the financial condition, business, operations, assets, liabilities, or prospects of the Property or any of its operations, of any kind or nature whatsoever.

(b) Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, Buyer hereby acknowledges and agrees that it is purchasing the Property in its present "AS IS/WHERE IS" condition and with all defects and neither Seller nor any manager, employee or agent of Seller has made or will make, either expressly or impliedly, and Seller specifically negates and disclaims, any representations, guaranties, promises, statements, assurances or warranties of any kind including without limitation the Property Conditions.

(c) Buyer acknowledges that Seller may provide Buyer with certain information and documents with respect to the Property which Seller may have in its possession, which include, without limitation, the Due Diligence Materials. Notwithstanding the furnishing of such information, Buyer hereby acknowledges and agrees that Seller has not made and will not make any representations or warranties as to the completeness, accuracy or validity of such information, materials and/or documents. However, Seller will allow Buyer to work with each third party to obtain a reliance letter, at the sole cost and expense of Buyer and not as a condition of Closing in favor of Buyer, for each third-party report.

(d) As of the Closing Date, and with the exception of any breach of Seller's representations, warranties and covenants expressly made under this Agreement or Seller's intentional fraud, Buyer hereby releases Seller and each Seller's trustees, beneficiaries, managers, members, employees, officers, agents and representatives ("**Released Parties**") from any and all known and unknown claims, responsibility and/or liability that Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, attorneys' fees, demand, action or cause of action arising from or related to the Property or Property Conditions. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release of the Released Parties. Buyer specifically waives the provision of California Civil Code Section 1542 (and any similar law or statute of any other jurisdiction), which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS

OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

(e) The terms and provisions of this Section 5.2 shall survive the Closing and shall not merge into the Deed or any other closing documents.

**Section 5.3 Representations and Warranties of Buyer.** Buyer represents and warrants to Seller that Buyer is a municipal corporation duly organized, validly existing, and in good standing under the laws of the state of California. Buyer further represents and warrants to Seller that this Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing (a) are or at the time of the Closing will be duly authorized, executed and delivered by Buyer, (b) are or at the time of the Closing will be legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms, and (c) do not and at the time of the Closing will not violate any of Buyer's charter documents or any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject. Buyer further represents and warrants to Seller as of the Effective Date and as of Closing that there are no pending, or to the actual knowledge of Buyer, threatened actions, suits, claims, legal proceedings or any other proceeding against Buyer, at law or in equity, before any court or Governmental Authority, which, if determined adversely, would affect Buyer's ability to perform its obligations under this Agreement. The foregoing representations and warranties of Buyer and any and all other representations and warranties of Buyer contained herein shall survive the Closing Date for a period of twelve (12) months.

## ARTICLE 6
## RISK OF LOSS; CONDEMNATION; OTHER COVENANTS

**Section 6.1 Loss.** Prior to Closing, the risk of loss or damage to the Property shall remain with Seller.

**Section 6.2 Casualty, Condemnation and Insurance**. If at any time prior to the date of Closing there is damage or destruction to the Property and the Property cannot be restored to its original condition prior to Closing, or if all or any material portion of the Property is condemned or taken by eminent domain proceedings by any public authority, Seller will give Buyer written notice thereof and then, at Buyer's option, this Agreement shall terminate, and the Deposit shall be returned to Buyer, and except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder.

If there is any damage or destruction or condemnation or taking, as above set forth, and if Buyer does not elect to terminate this Agreement as therein provided, then subject to the rights of any existing lienholder of the Property (1) in the case of a taking, all condemnation proceeds paid or payable to Seller shall belong to Buyer and shall be paid over and assigned to Buyer at Closing; and (2) in the case of a casualty, Seller shall assign to Buyer all rights to any insurance proceeds paid or payable under the applicable insurance policies and Seller shall pay to Buyer an amount equal to the deductible under Seller's applicable insurance policies, if such deductibles have not yet been paid to the insurer.

**Section 6.3 Intersection Monument Sign**. Seller desires to have a monument sign exclusively displaying Seller's name located on the Real Property at the corner of the intersection of East Bidwell Street and Oak Avenue Parkway ("Monument Sign"). The exact location of the sign at this location and the design of the sign would need to comply with related laws, ordinances and regulations and be reasonable satisfactory with the City including, without limitation, obtaining a special allowance under the Planned Development Permit applicable to the Real Property (and modifications thereto). Seller and Buyer wish to pursue this subject following the Closing, provided, however, that Seller and Buyer will cooperate with commencing the process of obtaining a special allowance under the Planned Development Permit as soon as reasonably feasible before Closing and continuing the process after Closing. Seller and Buyer will exercise good faith to reach agreement on the location and design of the Monument Sign and a related easement or other legal right to install and maintain the Monument Sign at Seller's cost and expense, and related terms for Seller's exclusive use of the Monument Sign. After the Closing, the City will grant to Seller such agreed easement and right to install the Monument Sign at no cost or charge to Seller, provided that Seller shall pay all permit fees and installation costs. The provisions of this Section 6.3 shall survive the Closing of the Transaction.

**Section 6.4 Boundary Line Monuments**. The parties hereto acknowledge that prior to or following the Closing, the City may wish to survey the Real Property and locate surveyor's monuments at various points on the boundary lines of the Real Property. The parties acknowledge that if this work proceeds, then the related engagement of a surveyor, installation work, payment of fees and any related matters will be the sole responsibility of Buyer and at Buyer's sole cost and expense.

## ARTICLE 7
## BROKERS AND EXPENSES

**Section 7.1 Brokers.** The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about the Transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the Transaction, except for Peter Nixon and Kris Riley of Newcastle Properties Group representing the Seller, whose commissions shall be paid by Seller at or prior to Closing pursuant to a separate agreement. If any other Person brings a claim for a commission or finder's fee based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such Person makes his claim shall defend the other party from such claim, and shall indemnify the other party and hold the other party harmless from any and all costs, damages, claims, liabilities or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the other party in defending against the claim. The provisions of this Section 7.1 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

**Section 7.2 Expenses**.

(a) Seller will be responsible for (i) the cost of the premium's for Buyer's title policy to the extent of CLTA standard coverage in the amount of the Purchase Price; (ii) all fees and expenses payable to all attorneys, agents and consultants retained by Seller; (iii) one-half of all escrow fees, recording costs for the Deed to be delivered to Buyer by Seller at Closing or other charges imposed by the Title Company; (iv) the cost of any documentary transfer taxes assessed

by the County of Sacramento or City of Folsom; and (v) any additional charges customarily charged to sellers in accordance with common escrow practices in the greater Sacramento area.

(b) Buyer will be responsible for: (i) the cost of obtaining any new Third Party Reports in connection with its due diligence investigations; (ii) the cost for Buyer's title policy in excess of the portion of the premium described in Section 7.2(a)(i) above, including any costs attributable to ALTA extended coverage and any endorsements thereto, along with any title examination charges; (iii) one-half of all escrow fees, recording costs for the Deed to be delivered to Buyer by Seller at Closing or other charges imposed by the Title Company; (iv) all fees and expenses payable to all attorneys and consultants retained by Buyer; and (v) any additional charges customarily charged to buyers in accordance with common escrow practices in the City of Folsom.

(c) All other transaction costs and expenses not allocated above shall be divided between the parties in accordance with the custom of the jurisdiction where the Property is located.

(d) The provisions of this Section 7.2 shall survive the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

## ARTICLE 8
## CERTAIN COVENANTS OF SELLER

**Section 8.1 Contract Covenants.** Seller agrees, from and after the Effective Date and through and including the Closing Date, to do the following:

(a) Keep all existing liability insurance policies affecting the Property in full force and effect, and exercise commercially reasonable efforts to comply in all material respects with laws and regulations of Governmental Authorities (including Environmental Laws); and

(b) Maintain the Property in substantially its present physical condition, consistent with Seller's past maintenance practices and procedures, except for damages due to casualty or condemnation.

(c) Exercise commercially reasonable efforts not to cause or permit any representation or warranty of Seller hereunder to become untrue in any material respect.

**Section 8.2 Buyer's Approval of Agreements Affecting the Property.** Except as provided in this Agreement, between the Effective Date and the Closing Date, Seller shall not enter into or suffer to exist any new lease, license, contract, easement, covenant, condition, restriction, lien, security interest or other agreement or encumbrance affecting the Property (including, without limitation, any entitlements, approvals or other similar agreements), or amend, modify, terminate, or waive any provision of, any of the foregoing, without first obtaining Buyer's written approval, which approval may not be unreasonably withheld provided the new agreement does not either (a) survive Closing or (b) affect Buyer's development plans as reasonably determined by Buyer. Seller shall submit to Buyer an actual copy of such new lease, license, contract, easement, covenant, condition, restriction, lien, security interest or other agreement, encumbrance, amendment, modification, termination or waiver at the time that Seller seeks Buyer's written approval.

# ARTICLE 9
# CONDITIONS TO CLOSING

**Section 9.1 Conditions to Buyer's Obligation to Close.** The obligation of Buyer to acquire the Property on the Closing Date shall be subject to the satisfaction or written waiver of the following conditions precedent on and as of the Closing Date (collectively, "Buyer's Closing Conditions"):

(a) Representations and Warranties of Seller.

(i) The representations and warranties of Seller set forth in Section 5.1 shall be true, complete and correct in all material respects on and as of the Effective Date.

(ii) The representations and warranties of Seller set forth in Section 5.1 shall be true, complete and correct in all material respects on and as of the Closing Date.

(b) Seller's Performance. Seller shall have timely performed and observed all covenants and obligations required by this Agreement to be performed or delivered by it, including, without limitation, curing all Defects which Seller has elected to cure.

(c) Seller's Closing Deliveries. Seller shall have delivered to the Title Company all of Seller's Closing Deliveries.

(d) Conveyance. Seller shall be ready, willing and able to transfer good, marketable, and indefeasible fee simple title to the Real Property and any and all Improvements thereon by way of the Deed, which shall be subject only to the Permitted Exceptions affecting or encumbering the Real Property or, if not, subject only to those additional encumbrances acceptable to Buyer in its sole discretion, and the remainder of the Property by way of one or more bills of sale, assignment and other appropriate documents as may be proposed by Buyer.

(e) Title Policy. The Title Company shall be unconditionally obligated and prepared, subject only to payment of the applicable premium and other related charges and delivery of all conveyance documents, to issue the Title Policy in a form acceptable to Buyer in its sole discretion.

(f) No Bankruptcy. No Act of Bankruptcy on the part of Seller shall have occurred and remain outstanding as of the Closing Date. For purposes of this Section 9.1(e), "Act of Bankruptcy" shall mean (i) the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of Seller or a substantial part of its property, (ii) the admission by Seller of its inability to pay its debts as they become due; (iii) the making of a general assignment for the benefit of Seller's creditors, (iv) the commencement by or against Seller of a voluntary or involuntary proceeding under the Bankruptcy Code or any federal or state insolvency laws or laws for the composition of indebtedness or for the reorganization of debtors, (v) the adjudication of Seller as a bankrupt or insolvent, or (vi) the taking of any action for the purpose of effecting any of the foregoing.

(g) Tenancies and Leases. The Property shall not be subject to any leases or tenancies of any nature, and no person or entity other than Seller shall be in possession of the Property, or any part thereof.

(h) Property Condition. There shall have been no material adverse change in the physical, environmental or geological condition of the Property.

(i) No Restriction. There shall be no third-party injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the Transaction not be consummated as herein provided which relates to the acts or omissions of Seller.

(j) Approval by City Council. The City Council shall have approved the acquisition of the Property.

**Section 9.2 Conditions to Seller's Obligation to Close.** The obligation of Seller to convey and transfer to Buyer the Property on the Closing Date is subject to the satisfaction or written waiver of the following conditions precedent on and as of the Closing Date (collectively, "Seller's Closing Conditions"):

(a) Representations and Warranties of Buyer. The representations and warranties of Buyer set forth in Section 5.3 shall be true, complete and correct in all material respects on and as of the Effective Date and on and as of the Closing Date.

(b) Buyer's Performance. Buyer shall have performed all covenants and obligations required by this Agreement to be performed or delivered by it on or before the Closing Date.

(c) Buyer's Closing Deliveries. Buyer shall have delivered to the Title Company all of Buyer's Closing Deliveries.

## ARTICLE 10
## CLOSING AND ESCROW

**Section 10.1 Escrow Instructions.** Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control unless otherwise agreed upon in writing by Seller and Buyer.

**Section 10.2 Closing.** The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company on the date which is no later than fifteen (15) days after expiration of the Inspection

Period, or at such other time as Buyer and Seller may mutually agree upon in writing (the "Closing Date").

**Section 10.3 Deposit of Documents**.

(a) At or before the Closing, Seller shall deposit into escrow the following items (collectively, the "Seller's Closing Deliveries"):

(i) the duly executed and acknowledged Deed conveying to Buyer the Property, subject only to the Permitted Exceptions;

(ii) an affidavit executed by Seller pursuant to Section 1445(b)(2) of the United States Internal Revenue Code of 1986, as amended (the "Federal Code") reasonably acceptable to the Title Company and Buyer, and on which Buyer is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Code;

(iii) an assignment of development rights in the form attached hereto as **Exhibit D**;

(iv) a final settlement statement prepared by the Title Company and executed by Seller;

(v) an owner's affidavit executed by Seller provided by the Title Company and reasonably acceptable to the Title Company and Buyer; and

(vi) a Withholding Exemption Certificate, Form 593-C stating either the amount of withholding required from Seller's proceeds or that Seller is exempt from the withholding requirement.

(b) At or before the Closing, Buyer shall deposit into escrow the following items (collectively, the "Buyer's Closing Deliveries"):

(i) the funds necessary to pay the Purchase Price to Seller;

(ii) a final settlement statement prepared by the Title Company and executed by Buyer;

(c) Buyer and Seller shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase and sale of the Property in accordance with the terms hereof. Buyer and Seller hereby designate Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Federal Code and the regulations promulgated thereunder.

**Section 10.4 Prorations**.

(a) Taxes. Real estate taxes and assessments imposed by any governmental authority (which shall be deemed to include any special assessments, which shall be calculated based on the longest permitted payment period) not currently due and payable and affecting the

Property for the tax year in which Closing occurs (a tax year being the year for which taxes accrue, rather than the year during which such taxes are payable) shall be prorated as of the Closing Date based on the most recent ascertainable assessed values and tax rates. Seller shall receive a credit for any taxes and assessments paid by Seller for the period during which the Closing Date occurs from the Closing Date to the end of the applicable taxing period.

(b) Utility Deposits. Buyer shall take all steps necessary to effectuate the transfer of all utilities, if any, to its name as of the Closing Date, and where necessary, post deposits with the utility companies. Seller shall use good faith efforts to ensure that all utility meters applicable to the Property are read as of the Closing Date. Seller shall be entitled to recover any and all deposits posted by Seller and held by any utility company as of the Closing Date.

(c) Insurance. The fire, hazard, flood and other insurance policies relating to the Property shall be cancelled by Seller as of the Closing Date and shall not, under any circumstances, be assigned to Buyer. All unearned premiums for fire and any additional hazard insurance premium or other insurance policy premiums with respect to the Property shall be retained by Seller.

(d) Other Prorations. All other prorations and apportionments shall be made in accordance with customary practice where the Property is located, with the purpose and intent that Seller shall bear all expenses of ownership and operation of the Property through 11:59 p.m. of the day preceding the Closing Date and Buyer shall bear all such expenses thereafter.

(e) Final Adjustments. If final prorations for those items addressed herein cannot be made on the Closing Date, then Buyer and Seller agree to allocate such items on an accrual basis as soon as invoices or bills are available, but with such final adjustment(s) to be made no later than ninety (90) days (or such longer time as may be required for final adjustment for real estate taxes) after the Closing Date. Income and expenses shall be received and paid by the parties on an accrual basis with respect to their period of ownership. Payments in connection with such final adjustments shall be due within fifteen (15) days after mutual agreement of the amount(s) due. Each party shall have reasonable access to, and the right to inspect and audit the other party's supporting documentation to confirm the final prorations, provided at least three (3) business days' advance notice is given by the auditing party to the audited party. All provisions set forth in this section shall survive the Closing.

**Section 10.5 Default; Remedies**

(a) If Seller materially defaults in its covenants under this Agreement or if any of the representations or warranties of Seller contained in this Agreement shall be found to be materially untrue, Buyer shall have the right as Buyer's sole and exclusive remedies, and in substitution for any other remedies at law or in equity, after giving Seller twenty (20) business days' prior written notice and the opportunity to cure such default within such twenty business day period (and the Closing Date shall be delayed, if necessary, until the end of such twenty (20) business day period), to exercise one of the following remedies: (x) seek specific performance of this Agreement and in connection with the exercise of the remedy of specific performance receive from Seller an amount equal to Buyer's costs and expenses related to the exercise of such remedy, including without limitation reasonable attorneys' fees (or if the remedy of specific performance

is not available because Seller has conveyed the Property in breach of this Agreement, bring an action seeking the greater of (A) direct damages and costs and expenses incurred by Buyer, and (B) the amount by which the purchase price obtained by Seller in connection with the conveyance exceeds the Purchase Price in this Agreement); (y) declare this Agreement to be null and void and demand and receive the return of the Deposit, and prompt reimbursement by Seller of Buyer's Transaction Expenses not to exceed $25,000.00, and upon receipt of such amounts, this Agreement will automatically terminate and the parties shall be released from further liability hereunder except as provided in those Sections which expressly survive the termination of this Agreement, or (z) waive the default and proceed to Closing without any adjustment of the Purchase Price.

(b) In the event that Seller shall breach its obligations to Buyer under this Agreement in any way other than as described in Section 10.5(a) hereof (including, without limitation, for a breach of a representation or warranty discovered by Buyer after Closing), then Buyer shall have all remedies against Seller available at law or in equity, provided that: (1) in no event may Buyer bring any claim against Seller unless the total damages for Seller's breach are at least Twenty Five Thousand Dollars ($25,000.00), (2) in no event shall Seller's aggregate liability to Buyer for any and all breaches of this Agreement (including without limitation representations, warranties, covenants, or indemnities) exceed Two Hundred Fifty Thousand Dollars ($250,000.00), and (c) in no event may Buyer bring any such claim or file suit thereon more than 180 days after the Closing Date.

(c) Notwithstanding anything to the contrary in this Agreement, neither Buyer nor Seller shall be liable to the other for punitive or consequential damages as a result of a breach or default under this Agreement. In no event shall any constituent partner or member in Seller or an Affiliate, nor any person or party that becomes a constituent member or partner in Seller or an Affiliate, nor any member, officer, manager, director, principal, partner or shareholder, employee, or beneficiary, trustee or agent of Seller or an Affiliate or any of the foregoing have any personal liability, directly, indirectly, under or in connection with this Agreement or the Property or any agreement made or entered into under or pursuant to the provisions of this Agreement or any amendment made to any of the foregoing at any times heretofore or hereafter, and Buyer and its successors and assigns shall look solely to the assets of Seller for the payment of any claim or for any performance and Buyer, on behalf of itself and its successors and assigns, hereby waives any such personal liability.

(d) The parties have agreed that in the event that Buyer defaults under any of its material covenants, obligations and commitments set forth in this Agreement after Seller has given Buyer ten (10) business days' prior written notice and the opportunity to cure such default within such ten business day period (and the Closing Date shall be delayed, if necessary, until the end of such ten business day period) (a "Buyer's Default"), it would be extremely difficult or impracticable to determine Seller's damages. After negotiation, the parties have agreed that, considering all the circumstances existing on the Effective Date, the Deposit is a reasonable estimate of the damages that Seller would incur in the event of a Buyer's Default and retention of the Deposit by Seller shall be Seller's sole remedy and liquidated damages upon a Buyer's Default. Upon a termination of this Agreement in accordance with this Section 10.5(d), neither party shall have any rights or obligations hereunder except as provided in those sections which expressly survive the termination of this Agreement. **THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT ESCROW FAILS TO CLOSE**

**SOLELY DUE TO A DEFAULT BY BUYER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT OF THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES, AND THAT PAYMENT OF SUCH AMOUNT TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTION 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. NOTHING CONTAINED HEREIN SHALL IN ANY MANNER LIMIT THE AMOUNT OF DAMAGES OBTAINABLE BY SELLER PURSUANT TO AN ACTION UNDER ANY HOLD HARMLESS, DEFENSE OR INDEMNIFICATION PROVISION SET FORTH IN THIS AGREEMENT OR REASONABLE ATTORNEYS' FEES RECOVERABLE PURSUANT TO ANY ACTION UNDER A HOLD HARMLESS, DEFENSE OR INDEMNIFICATION SET FORTH IN THIS AGREEMENT**.

_____ _____
Seller's Initials Buyer's Initials

## ARTICLE 11
## MISCELLANEOUS

**Section 11.1 Notices.** Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given when (a) hand delivered with reasonable evidence of receipt, or (b) one business day after pickup by United Parcel Service (Overnight) or Federal Express, or another similar reputable overnight express service, or (c) transmitted by via e-mail, in any case addressed to the parties at their respective addresses set forth below:

To Buyer: City of Folsom
_____
_____
Attn: _____
Email: _____

With a copy to:

To Seller: Lakeside Church
745 Oak Avenue Parkway
Folsom, California 95630
Attn: Michael Klockenbrink
Email: mikeklockenbrink@lakesidechurch.com

With a copies to: Meissner Ruggles Thompson, Inc.

1555 River Park Drive, Suite 108
Sacramento, California 95815
Attn: John J. Meissner, Jr.
Email: meissner@mjplawfirm.com

or to such other address as either party may from time to time specify in writing to the other party.

An email notice shall be deemed delivered and received (A) if delivered or transmitted before 5:00 pm Eastern Time on a business day, and (B) otherwise on the next business day following actual delivery or transmittal.

**Section 11.2 Entire Agreement.** This Agreement, together with the Exhibits attached hereto, contain all representations, warranties and covenants made by Buyer and Seller and constitute the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

**Section 11.3 Time.** Time is of the essence in the performance of each of the parties' respective obligations contained herein.

**Section 11.4 Further Assurances.** The parties hereby agree to take such additional actions and to execute and deliver such additional documents as shall be necessary to consummate the Transaction. The provisions of this Section 11.4 shall survive the Closing.

**Section 11.5 Jury Trial Waiver.** The parties hereby agree to waive any right to trial by jury with respect to any action or proceeding brought by either party or any other Person, relating to (A) this Agreement and/or any understandings or prior dealings between the parties hereto, or (B) the Property or any part thereof. The parties hereby acknowledge and agree that this Agreement constitutes a written consent to waiver of trial by jury pursuant to any applicable state statutes.

**Section 11.6 No Merger.** The obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

**Section 11.7 Assignment.** Buyer may delegate, transfer and assign this Agreement to any Affiliate of Buyer, in any such case without the prior approval of Seller, provided, however, such assignment shall not release Buyer from liability hereunder, the assignee shall assume the obligations under this Agreement and Buyer shall provide Seller with a copy of the related assignment. Any other assignment by Buyer to any other third party requires the written consent of Seller, which consent will not be unreasonably withheld.

**Section 11.8 Severability**. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement.

**Section 11.9 No Joint Venture**. This Agreement is not intended to create, and shall not be deemed to create, any partnership, joint venture or other similar business arrangement between Seller and Buyer, other than as seller and buyer.

**Section 11.10 Successors and Assigns**. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns, except as expressly set forth herein.

**Section 11.11 Prevailing Party**. If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by either party to enforce its rights under this Agreement against the other party, all fees, costs and expenses, including, without limitation, reasonable attorney's fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party; provided, that if a party to such litigation, action, arbitration or proceeding prevails in part, and loses in part, the court, arbitrator or other adjudicator presiding over such litigation, action, arbitration or proceeding shall award a reimbursement of the fees, costs and expenses incurred by such party on an equitable basis.

**Section 11.12 Counterparts; PDF.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The parties contemplate that they may be executing counterparts of this Agreement transmitted electronically via PDF and agree and intend that a signature by electronically mailed PDF shall bind the party so signing with the same effect as though the signature were an original signature. The parties hereto consent to the execution and delivery of this Agreement by Docusign and Adobe Acrobat Sign.

**Section 11.13 Confidentiality**. Unless otherwise mutually agreed upon in writing by Buyer and Seller, any information provided (whether oral or written) by any party to the other related to the Transaction shall be treated as confidential by the other and shall not be disclosed by such party, in any manner other than to brokers, lenders, partners, consultants, or contractors, whose work, advice or consents or approvals would be necessary to carry out the contemplated transaction, or whose financial interests would be affected by the transaction. Notwithstanding the foregoing, the party receiving the same may disclose the same to its employees involved in the due diligence and/or negotiation of the transaction, as well as its financial and legal advisors and instruct such persons of the obligation to maintain confidentiality pursuant to the terms of this section. It is further understood and agreed that it is necessary that this transaction (and all of the terms of this Agreement, and of any other agreements to be entered into relating to this Agreement, as well as the negotiations related hereto and thereto) be kept confidential unless otherwise required to be disclosed by law or regulation. The foregoing restrictions shall not apply to information that is of public record or to matters disclosed in accordance with process of law (including the Public Records Act), or as required for public hearings or other proceedings of the City council, or to information already known by the recipient thereof or to entry into the data bases maintained by real estate brokers representing the Seller or Buyer and used by such brokers and other brokers of such data base information as is customary in the industry, including without limitation, for comparable sales and price comparisons for other transactions.

**Section 11.14 Tax-Deferred Exchange**. At the request of either party, the other party shall cooperate with the requesting party in the achievement of a tax-deferred real estate exchange pursuant to Section 1031 of the Internal Revenue Code and the Treasury regulations promulgated thereunder ("Tax-Deferred Exchange"); provided, however, that: (i) the exchange shall be at no additional material expense to the other party; (ii) the exchange shall not materially delay the

Closing Date for transfer of the Property; (iii) the other party shall not be required to acquire title to any proposed exchange properties to accommodate the requesting party's exchange; and (iv) the exchange shall not affect, limit, modify or impair in any way the representations, warranties, covenants or indemnifications made by the requesting party in the Agreement. The requesting party shall indemnify and defend the other party and hold the other party harmless from and against any and all claims, demands, costs and expense which the other party sustains or incurs as a result of the consummation of the transfer of the Property as a Section 1031 exchange, rather than a sale.

**Section 11.15 Governing Law.** This Agreement shall be deemed to be an agreement made under the laws of the State of California and for all purposes shall be governed by and construed in accordance with such laws.

**Section 11.16 Interpretation of Agreement.** The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "including" means "including, but not limited to,".

**Section 11.17 General Rules of Construction.** The parties acknowledge that this Agreement has been freely negotiated by both parties, that each party has had the opportunity to review and revise this Agreement, that each party has had the opportunity to consult with counsel with regard to this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

**Section 11.18 Computation of Time**. The time in which any act is to be done under this Agreement is computed by excluding the first day, and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. Unless expressly indicated otherwise, (a) all references to time shall be deemed to refer to Pacific Time, and (b) all time periods shall expire at 5:00 p.m. Pacific Time. "Business days" shall mean Monday through Friday except for U.S. federal holidays.

**Section 11.19 Amendments.** This Agreement may be amended or modified only by a written instrument signed by Buyer and Seller.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date regardless of the actual date of execution.

**SELLER**:

Lakeside Church, LLC,
a California nonprofit corporation

By: _____
Name:
Title:

**BUYER**:

City of Folsom,
a municipal corporation

By: _____
Name: _____
Title:

JOINDER OF TITLE COMPANY

Title Company hereby joins in the execution of the Agreement and agrees to accept, hold and return the Deposit, and disburse any funds received under the Agreement in accordance with the provisions of such Agreement. The Title Company shall only be bound to those provisions of the Agreement relating to title insurance, the Deposit, and the Closing escrow. Provided that the Title Company complies with such provisions of the Agreement, the parties to the Agreement agree that the Title Company shall not be liable for any loss or damage arising thereunder.

Placer Title Company

By:_____

Name: _____

Title:_____

# EXHIBIT A

## DESCRIPTION OF REAL PROPERTY

To be completed

# EXHIBIT B

## DUE DILIGENCE REQUIREMENTS

Seller shall provide the following in Seller's possession or control: environmental reports, surveys, property condition reports, engineering studies, notices from local, state and federal government agencies, leases (including amendments thereto) in connection with the Property (but excluding applications, notices and related filings and recorded documents related to the recent lot line adjustment for the Property), and any service and maintenance agreements and other contracts that will affect the Property after closing, and other documents reasonably requested by Buyer to assist Buyer in its feasibility study.

# EXHIBIT C

## FORM OF DEED

RECORDING REQUESTED BY,
WHEN RECORDED MAIL TO, AND:
MAIL TAX STATEMENT TO:

_____
_____
_____

Attention:
_____

APN: [_____] (Space Above Line for Recorder's Use Only)

The undersigned grantor(s) declare(s):

☐ This transfer is exempt from the documentary transfer tax.
☐ The documentary transfer tax is $_____ and is computed on:
☐ the full value of the interest or property conveyed.
☐ the full value less the liens or encumbrances remaining thereon at the time of sale.
The property is located in the City of _____, County of _____.

## GRANT DEED

FOR VALUE RECEIVED, , a ("Grantor"), grants to _____ ("Grantee"), all that certain real property situated in the City of , County of , State of California, described on Schedule 1 attached hereto and by this reference incorporated herein (the "Property").

Title to the Property is hereby conveyed by Grantor to Grantee (and accepted by Grantee) subject to the following: (a) real property taxes and assessments not yet due and payable, (b) matters ascertainable by a reasonable inspection and survey of the property, and (c) matters of public record.

*[Signature on the following page]*

IN WITNESS WHEREOF, the Grantor has executed this instrument as of _____, 20__.

_____,
a

By:
Name:
Its:

CALIFORNIA ALL PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____, 20__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public (Notary Seal)

Schedule 1 to Grant Deed
Legal Description of Property

# EXHIBIT D

## ASSIGNMENT OF DEVELOPMENT RIGHTS
## ASSIGNMENT OF DEVELOPMENT RIGHTS AND APPROVALS

**THIS ASSIGNMENT OF ASSIGNMENT OF DEVELOPMENT RIGHTS AND APPROVALS** ("Assignment"), is made and entered into as of this ____ day of _____, 20__ (the "Effective Date"), by and between **_____,** a _____ ("Assignor"), whose address is _____, and _____, a _____ ("Assignee"), whose post office address is _____.

**WITNESSETH**:

**WHEREAS**, on even date herewith, Assignor has conveyed to Assignee that certain real property located in _____ County, _____, being more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the "Property"); and

**WHEREAS**, in connection with Assignor's conveyance of the Property to Assignee, Assignor desires to assign to Assignee, and Assignee desires to accept the assignment of, if any and solely to the extent transferrable, the Development Rights, and Approvals (defined below).

**NOW, THEREFORE**, for and in consideration of the sum of $10.00, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Incorporation of Recitals**. The above recitals are true and correct and are incorporated herein by this reference.

2. **Assignment of Development Rights and Approvals**. Assignor does hereby grant, assign, transfer and set over unto Assignee all of Assignor's right, title and interest in and to the following, if any and solely to the extent the same are transferable (collectively, the "Development Rights and Approvals"):

a. all applications, licenses, permits, approvals, consents, authorizations and other entitlements with or from any governmental or quasi-governmental authorities related solely to or benefiting the Property (including the offsite in-tract infrastructure improvements benefitting the Property), including, but not limited to, any and all permits, approvals, development rights, vested rights, density, average daily trips, entitlements, benefits, rights, privileges, exemptions, concurrency approvals, capacity encumbrances or reservations, capacity agreements (including, but not limited to, Capacity Enhancement Agreements), water rights, sewer rights and other utility rights, associated solely with respect to the Property;

b. all contracts, agreements, leases, representations and warranties that relate solely to, or benefit the Property.

3. **Assumption of Development Rights and Approvals.** Assignee does hereby assume and accept the Development Rights and Approvals assigned to Assignee by this Assignment and all of Assignor's rights, title and interest thereunder; provided, however, Assignee assumes only those obligations of the Development Rights and Approvals which arise on or after the Effective Date hereof.

4. **Impact Fee Credits.** Assignee acknowledges that neither Assignor nor any Affiliate thereof is assigning or transferring to Assignee any impact fee credits or any other development incentives or credits held by Assignor or an Affiliate of Assignor or associated with the Property or other adjoining real property owned by Assignor or an Affiliate thereof. Any impact fees, development fees, assessments and other costs associated with developing the Property and constructing Assignee's related project thereon shall be paid by Assignee or Assignee's successor in interest.

5. **Entire Agreement**. This Assignment contains the entire agreement of the parties hereto with respect to the subject matter hereof, and no change of any item or provision of this Assignment shall be valid or binding unless the same shall be in writing and signed by all the parties hereto.

6. **Binding**. This Assignment runs with the land and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

7. **Governing Law**. This Assignment shall be governed and interpreted under the laws of the State of California. Assignor and Assignee agree that the resolution of any disputes with regard to this Assignment shall lie only in Sacramento County, California. In no event shall either Assignor or Assignee be entitled to a jury by trial on any issues in which a trial by jury is permitted under applicable law.

8. **Counterparts**. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original.

9. **Further Assurances**. Each of the parties hereto agree that they shall execute and deliver to the other such additional and supplemental documents or further assurances, from time to time as requested, as may be necessary to implement the transactions contemplated pursuant to this Assignment when requested to do so by any party to this Assignment.

**IN WITNESS WHEREOF**, the Assignor and Assignee have hereto caused this Assignment to be executed as of the Effective Date.

**ASSIGNOR:**

_____,
a _____

By: _____
Name:_____
Title:_____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20__ by _____, as _____ of _____, a _____, on behalf of the _____. He/she is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

_____
Notary Public Signature

**ASSIGNEE:**

_____,
a _____

By: _____
Name: _____
Title: _____

[Seal]

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, _____ of _____, a _____ on behalf of the _____, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above document.

(NOTARY SEAL)

_____
Notary Public Signature

*This page is intentionally left blank to facilitate double-sided printing and minimize paper use.*

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

# Folsom City Council
## Staff Report

| | |
|---|---|
| **MEETING DATE:** | 8/11/2026 |
| **AGENDA SECTION:** | New Business |
| **SUBJECT:** | Resolution No. 11690 – A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and Authorizing Implementation of the Single-Role Ambulance Transport System |
| **FROM:** | Fire Department |

**RECOMMENDATION / CITY COUNCIL ACTION**

The Fire Department recommends that the City Council adopt Resolution No. 11690 – A Resolution authorizing the City Manager to execute a Memorandum of Understanding between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and authorizing implementation of the single-role ambulance transport system. Following the adoption of this resolution, these are further recommendations:

- Establishing the classifications of Emergency Medical Technician and Paramedic, approving the associated class specifications and salary schedule, and amending the City's Classification and Compensation Plan accordingly;
- Amending the Fiscal Year 2026-27 position control roster to convert ten (10) Firefighter/Paramedic positions to single-role positions and to add four (4.0) Full Time Equivalent (FTE) single-role positions, for a total of fourteen (14.0) FTE single-role positions (seven (7) Paramedics and seven (7) Emergency Medical Technicians) and twenty-seven (27) Firefighter/Paramedic positions; and
- Authorizing the City Manager to execute the MOU and to take all actions necessary to implement the single-role ambulance transport staffing model, including restoration of the fifth engine company to service.

## BACKGROUND / ISSUE

The Folsom Fire Department provides all-risk fire protection, rescue, and emergency medical services, including advanced life support (ALS) ambulance transport, from six fire stations operating on a three-platoon shift schedule. Suppression and EMS field operations are currently delivered by 76 budgeted line positions, of which 37 are budgeted Firefighter/Paramedic (Firefighter EMT/Paramedic) positions.

### Reduction in Budgeted Firefighter Positions

The Department historically budgeted 42 Firefighter positions. That staffing level provided one additional firefighter per shift, which the Department used to absorb daily leave and reduce reliance on overtime. Five of those positions were eliminated in 2025, reducing the authorized complement to the current 37 positions. Additionally, budgetary constraints resulted in the temporarily closing of an engine company, reducing the number of suppression units spread throughout the city.

### Staffing Requirements Analysis

Department analysis of constant-staffing requirements produced the following:

- Current deployment model (4 engines, 1 truck, 3 medic units across 6 stations and 3 shifts) requires 36 Firefighter/Paramedic positions to staff without structural overtime; 37 are budgeted.
- Restoring a fifth engine company under the existing dual-role model (5 engines, 1 truck, 3 medic units) would require 39 Firefighter/Paramedic positions — an increase of 2.0 FTE over the current authorized level, together with the associated salary, benefit, and academy costs.

### Vacancy and Recruitment Environment

The Department is currently carrying 10 vacancies among its 76-line positions, including 9 Firefighter vacancies (10 when accounting for anticipated promotions from within the ranks) and 1 Engineer vacancy. By the beginning of calendar year 2026, the Department projects 11 vacancies among 76-line positions, including 9 Firefighter vacancies, 1 Engineer vacancy, and 1 Battalion Chief vacancy. Consistent with regional and statewide experience, the dual-role Firefighter/Paramedic labor market remains highly competitive, and the cost and duration of the fire academy and paramedic accreditation process extend the time required to place a new dual-role employee into service.

### Labor Relations

Consistent with the Meyers-Milias-Brown Act (Government Code section 3500 et seq.), the City met and conferred in good faith with Sacramento Area Fire Fighters, IAFF Local 522, regarding recognition of the proposed single-role classifications and the terms and conditions of employment applicable to them. The parties reached a tentative agreement, and the

bargaining unit ratified the agreement. The MOU presented to the City Council reflects that agreement in full.

## POLICY / RULE

Government Code Title 11, Division 4, Chapter 10, commonly known as the Meyers-Milias-Brown Act requires that representatives of the Governing Body of a public agency shall meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Both parties shall endeavor to reach a tentative agreement within the scope of representation, and, if a tentative agreement is reached and ratified by the respective parties, they shall prepare a written memorandum of understanding.

## ANALYSIS

### A. The Proposed Single-Role Staffing Model

Staff recommends converting ten (10) budgeted Firefighter/Paramedic positions to single-role EMS positions and adding four (4.0) FTE, resulting in fourteen (14.0) FTE single-role positions — seven (7) Paramedics and seven (7) Emergency Medical Technicians.

Under the proposed model:

- Twenty-seven (27) Firefighter/Paramedics would staff six stations on three (3) shifts, operating five (5) engine companies, one (1) truck company, and one (1) medic unit.
- Fourteen (14) single-role personnel would staff two (2) dedicated medic units — Medic 39 and Medic 37 — across seven (7) single-role shifts.
- The fifth engine company (Engine 39) would be restored to service.
- Total ambulance transport capacity would remain at three (3) staffed medic units.

| Deployment Element | Current Budgeted Model | Proposed Model | Change |
|---|---|---|---|
| Firefighter/Paramedic positions | 37 | 27 | (10) |
| Single-role Paramedic positions | 0 | 7 | +7 |
| Single-role EMT positions | 0 | 7 | +7 |
| Total positions in model | 37 | 41 | +4 FTE |
| Engine companies staffed | 4 | 5 | +1 |
| Truck companies staffed | 1 | 1 | No change |

| Deployment Element | Current Budgeted Model | Proposed Model | Change |
|---|---|---|---|
| Medic units staffed | 3 | 3 | No change |
| Stations staffed | 6 | 6 | No change |

**B. Single-Role Deployment and Work Schedule**

Single-role personnel are assigned to seven shifts working an OXOXXXX rotation, with each shift assigned the same days each week. Each shift consists of one Paramedic and one Emergency Medical Technician. Medic 39 is staffed by six single-role personnel and Medic 37 by six; Shift 4 (2 single-role personnel) works one day on Medic 39 and one day on Medic 37 to complete weekly coverage of both units.

| Shift | Unit Assignment | Staffing | Scheduled Days |
|---|---|---|---|
| Shift 1 | Medic 39 | 1 Paramedic / 1 EMT | Sunday, Tuesday |
| Shift 2 | Medic 39 | 1 Paramedic / 1 EMT | Monday, Wednesday |
| Shift 3 | Medic 39 | 1 Paramedic / 1 EMT | Thursday, Saturday |
| Shift 4 | Medic 37 / Medic 39 | 1 Paramedic / 1 EMT | Wednesday (M37), Friday (M39) |
| Shift 5 | Medic 37 | 1 Paramedic / 1 EMT | Friday, Sunday |
| Shift 6 | Medic 37 | 1 Paramedic / 1 EMT | Saturday, Monday |
| Shift 7 | Medic 37 | 1 Paramedic / 1 EMT | Tuesday, Thursday |

**C. Principal Terms of the Proposed Memorandum of Understanding**

The MOU establishes the terms and conditions of employment for the new single-role classifications. Principal terms are summarized below; the MOU attached as Attachment 2 governs in the event of any inconsistency with this summary.

| Subject | Provision |
|---|---|
| Recognition | Recognizes Sacramento Area Fire Fighters, IAFF Local 522, as the exclusive representative of the Folsom Fire-EMS Professional Unit. |
| Classifications | Officially establishes and recognizes the classifications of Emergency Medical Technician and Paramedic, with adopted class specifications and job descriptions. |
| Compensation | Establish salary ranges and steps for both classifications, together with holiday-in-lieu compensation. |
| Work schedule | 40-hour employees, working an assigned 48-hour work week. Employees will be assigned to work 8 hours of overtime per pay period. |
| FLSA status | Positions are not exempt under the section 7(k) partial overtime exemption. The exemption applies to employees engaged in fire protection activities who spend at least 80 percent of their time on such activities; single-role EMS personnel assigned exclusively to transport duties do not meet that threshold. Employees are therefore covered by the standard FLSA overtime provisions. |
| Overtime | Distinguishes FLSA overtime from MOU overtime and defines the calculation of each. The eight hours of pre-scheduled overtime per cycle are treated as FLSA overtime. |
| Educational incentive | Reduced relative to the incentive structure applicable to the dual-role Firefighter unit. |
| Longevity pay | Maintained. |
| Retirement | Maintains CalPERS Safety formula 2.7% at 57 for new members, subject to CalPERS enrollment determination for the classifications. |
| Health and welfare | No change. Medical, dental, vision, and related benefits are maintained at current City levels. |
| Leaves | Vacation may be used in 12- or 24-hour increments. Provisions prevent loss of income when employees use vacation, compensatory time, or bereavement leave. Sick leave is excluded from this treatment and is compensated at straight time. No change to existing leave procedures. |
| Allowances | Maintained, applied proportionately to the 40-hour schedule. |
| Management rights | All existing management rights are maintained. |
| Discipline | All existing disciplinary procedures are maintained. |

**D. Operational Benefits**

- Restored fire suppression capacity. The fifth engine company returns to service, improving effective response force assembly, unit availability, and coverage across the six-station system.
- Dedicated transport resources. Two medic units are staffed by personnel whose sole assignment is EMS response and transport, reducing the frequency with which suppression apparatus are committed to transport duties.
- Recruitment flexibility. Single-role positions draw from a substantially larger labor pool, require a shorter and less costly academy, and reduce the Department's exposure to prolonged dual-role vacancies.
- Vacancy management. Converting vacant positions, the Department is able to leverage existing vacancies to implement the Single Role Transport System. No filled Firefighter/Paramedic position is eliminated, and no incumbent is displaced, demoted, or reduced in compensation.
- Lower cost per position. Single-role positions carry materially lower salary and benefit costs than dual-role positions, allowing the Department to field additional units within the existing appropriation.

**E. Considerations and Risks**

- Single-role personnel are not trained or equipped for fire suppression assignments and cannot be used to backfill suppression vacancies. Suppression coverage remains dependent on the 27 dual-role positions.
- Because the single-role classifications are 40-hour, non-7(k) positions, overtime accrues on a different basis than for the suppression ranks.
- The savings projections assume the conversions are achieved through existing and anticipated vacancies and that recruitment timelines are met. Delay in filling single-role positions would extend the Department's reliance on overtime during the transition.
- Recruitment and retention of single-role personnel in a competitive regional EMS market will require ongoing attention, including attention to career-path opportunities into dual-role classifications.

**F. Implementation Timeline**

To place personnel in service at the beginning of the fiscal year's second quarter, the Department conducted recruitment activities and made contingent offers of employment once Council provided supportive action. Ratification of this MOU ensures our timelines are met.

| Milestone | Date |
|---|---|
| Open recruitment | June 12, 2026 |
| Application review | Ongoing |
| Oral boards and EMS assessments | July 8–10, 2026 |
| Pre-employment medical examinations and background investigations initiated for 14 potential employees and 4 alternates | July 15, 2026 |
| Pre-employment medical examinations and background investigations complete | On or about August 14, 2026 |
| EMS Recruit Academy begins | August 17, 2026 |
| Partial implementation — EMT personnel in service; Engine 39 staffed | September 6, 2026 |
| Full implementation — Paramedic personnel in service; both single-role medic units in service | September 19, 2026 |

## FINANCIAL IMPACT

The proposed staffing model is cost-neutral to the adopted budget and is projected to reduce annual salary and benefit costs. Estimated annual salary and benefit costs under each model are as follows:

| Model | Firefighter/ Paramedics | Single-Role Paramedics | Single-Role EMTs | Estimated Annual Cost |
|---|---|---|---|---|
| Current budgeted staffing | 37 | 0 | 0 | $7,769,630 |
| Proposed staffing | 27 | 7 | 7 | $7,559,715 |
| Estimated annual savings | | | | $128,102 |

Estimated fully burdened salary and benefit costs per position, by classification, are as follows:

| Classification | Initial Hire | Top Step |
|---|---|---|
| Firefighter/Paramedic | $209,990 | $266,759 |
| Single-Role Paramedic | $144,479 | $186,494 |
| Single-Role Emergency Medical Technician | $125,489 | $161,000 |

In addition, the Department projects one-time recruitment and training savings. Hiring ten Firefighter/Paramedics under the current model carries an estimated academy cost of $372,077,

while placing fourteen single-role personnel through an EMS recruit academy carries an estimated academy cost of $207,558 — a one-time savings of $164,519, notwithstanding that four additional personnel are trained.

| Fiscal Year 2026-27 Impact | Type | Amount |
|---|---|---|
| Salary and benefit savings | Ongoing | $128,102 |
| Recruit academy savings | One-time | $164,519 |
| Total estimated FY 2026-27 savings | Combined | $292,621 |

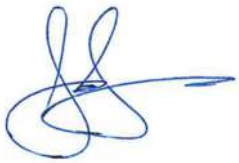
No additional appropriation is required. Approval of the MOU and the recommended position changes does not increase the Fire Department's adopted Fiscal Year 2026-27 personnel appropriation. Because implementation occurs in the first quarter of the fiscal year, actual FY 2026-27 savings will be realized on a partial-year basis and are reflected in the amounts above as estimates. Adoption of the recommended resolution amends the position control roster to reflect a net increase of 4.0 FTE with no corresponding increase in appropriation.

**Retirement cost disclosure.** The proposed MOU does not create, modify, or enhance any retirement benefit; the CalPERS Safety formula of 2.7% at 57 applicable to new members is maintained without change.

## ATTACHMENTS

1. Resolution No. 11690 – A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and Authorizing Implementation of the Single-Role Ambulance Transport System
2. Memorandum of Understanding, Folsom Fire-EMS Professional Unit
3. Class Specifications, Emergency Medical Technician and Paramedic

Submitted,



Jason Solak, Fire Chief

Attachment 1
Resolution No. 11690 – A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and Authorizing Implementation of the Single-Role Ambulance Transport System

# RESOLUTION NO. 11690

## A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF FOLSOM AND THE SACRAMENTO AREA FIREFIGHTERS LOCAL 522, IAFF – FOLSOM FIRE EMS PROFESSIONAL UNIT AND AUTHORIZING IMPLEMENTATION OF THE SINGLE-ROLE AMBULANCE TRANSPORT SYSTEM

**WHEREAS,** the City of Folsom and Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit have met and conferred in good faith; and

**WHEREAS,** the parties reached an agreement, and the bargaining unit ratified the agreement; and

**WHEREAS,** authorizing this agreement will establish the classifications of Emergency Medical Technician and Paramedic; and

**WHEREAS**, the position control roster will be amended to convert ten Firefighter/Paramedic positions to single-role positions and to add four single-role positions, for a total of fourteen FTE single-role positions and twenty-seven Firefighter/Paramedic positions; and

**WHEREAS**, once the single-role ambulance transport staffing model is implemented, the fifth engine company will be restored to service; and

**WHEREAS,** the proposed staffing model is cost-neutral to the adopted budget and is projected to reduce annual salary and benefit costs; and

**WHEREAS**, that the City Council adopts the agreement between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit for the period of August 11, 2026, to June 30, 2028;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute a Memorandum of Understanding between the City of Folsom and the Sacramento Area Firefighters Local 522, IAFF - Folsom Fire EMS Professional Unit and authorizes implementation of the single-role ambulance transport system; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Council of the City of Folsom approves the new staffing model for the Fire Department, establishing the classifications of Emergency Medical Technician and Paramedic; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Manager is authorized to add four positions to the total approved Full Time Equivalent (FTE) count for Fiscal Year 2026-27.

**PASSED AND ADOPTED** this 11th day of August 2026, by the following roll-call vote:

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

_____
Justin Raithel, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2
Memorandum of Understanding, Folsom Fire-EMS Professional Unit

# MEMORANDUM OF UNDERSTANDING

**BETWEEN**

**CITY OF FOLSOM**

**AND**

**SACRAMENTO AREA FIREFIGHTERS**

**LOCAL 522, IAFF, FOLSOM Fire-EMS Professional UNIT**

August 11, 2026 through June 30, 2028

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## PREAMBLE

On the date hereinafter subscribed, authorized representatives of the City of Folsom, herein called "City", and authorized representatives of the Sacramento Area Firefighters Local 522, IAFF, herein called "SAFF, Local 522", made and entered into this Memorandum of Understanding, hereinafter referred to as "Agreement" or "MOU." Pursuant to Section 3500 et seq. of the Government Code of the State of California, an agreement between the aforementioned parties has as its purpose the promotion of harmonious labor relations; establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work, and other terms and conditions of employment.

The term "Agreement" as used herein means the written agreement provided under Section 3505.1 of the Government Code.

It is understood and agreed that this Memorandum of Understanding applies only to the classifications of EMT and Paramedic. This Memorandum of Understanding supersedes and replaces all previous agreements as it relates to the positions EMT and Paramedic. This Memorandum of Understanding supersedes all previous agreements to the extent those agreements relate to the classifications of EMT and Paramedic. This Memorandum of Understanding shall not in any way be considered to supersede or modify the Memorandum of Understanding between City of Folsom and Sacramento Area Firefighters Local 522, IAFF, Folsom Unit effective from August 11, 2026 through June 30, 2028 which covers the classifications of Fire Captain, Fire Engineer, and Firefighter. This MOU is negotiated by the Parties separately as a result of the positions of Paramedic and EMT being added into the bargaining during the term of the Fire MOU.

## ARTICLE I

## RECOGNITION AND COVERAGE

1. Recognition

The Sacramento Area Firefighters Local 522 is recognized as the exclusive representative, as provided in the City's Employer-Employee Relations Policy, for all employees assigned to the Sacramento Area Firefighters Local 522 Bargaining Unit in the following classifications:

EMT
Paramedic

In the event new classifications are established which are appropriate for this unit, the parties agree to meet and confer for the purpose of including such in the Sacramento Area Firefighter Local 522 Bargaining Unit.

2. Continuation of Benefits

A. This Memorandum of Understanding is a final expression of the agreement between the parties with respect to the terms and conditions of employment. No amendment, alteration, understanding, variation, waiver or modification of any terms or provisions of this

Memorandum of Understanding shall in any manner be binding upon the parties unless made and executed in writing between the parties hereto and approved by the City Council.

B. Terms and conditions of employment as specified in this Memorandum of Understanding shall remain in full force and effect during the term of this Memorandum of Understanding unless modified pursuant to the above paragraph or as otherwise specified in this agreement.

3. Terms of Understanding

This Memorandum of Understanding incorporates all modifications regarding wages, hours, and other terms and conditions of employment. This Memorandum of Understanding shall be effective upon full execution of this Agreement and shall expire June 30, 2028. The parties agree to begin negotiations on a successor Memorandum of Understanding no later than 120 calendar days prior to expiration of this Memorandum of Understanding.

4. Meeting and Conferring During the Term of the Memorandum of Understanding

Unless specifically agreed otherwise, this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters contained in this Memorandum of Understanding and supersedes and cancels all prior or existing understandings or agreements between the parties, whether formal or informal.

During the term of this Memorandum of Understanding, representatives of the City and the SAFF, Local 522 may meet and confer on matters of mutual concern. Any agreement reached between the parties shall be memorialized in writing and be deemed a "Side Letter" to this Memorandum of Understanding.

The City Manager is authorized to enter into a Side Letter on behalf of the City for purposes of the interpretation or administration of this Memorandum of Understanding. A Side Letter to this Memorandum of Understanding shall not be deemed valid until signed by the City Manager or designee, approved as to form by the City Attorney, and signed by an authorized representative of the SAFF, Local 522. Side Letters agreed to during the term of this Memorandum of Understanding may be incorporated into any successor Memorandum of Understanding.

5. Severance

Should any provision of this Agreement be found unlawful or unenforceable by a court of competent jurisdiction, or invalidated by subsequent enacted legislation, the remainder of the Agreement shall continue enforce. Upon occurrence of such an event, the parties shall meet and confer as soon as practical to renegotiate the invalidated provision(s).

6. No Strike

The SAFF, Local 522 agrees that during the term of this Agreement, neither it nor its officers, employees, representatives, or members will engage in, encourage, sanction, support or suggest any strikes, work stoppages, boycotts, slowdowns, mass resignations, mass absenteeism, picketing or any other similar actions which would involve suspension

of, or interference with, the normal work of the City of Folsom. In the event that SAFF, Local 522 members participate in such activities in violation of this provision, SAFF, Local 522 shall notify those members so engaged to cease and desist from such activities and shall instruct the members to return to their normal duties.

## ARTICLE II

## MANAGEMENT RIGHTS

To ensure that the City is able to carry out its statutory functions and responsibilities, nothing contained in this article shall be construed to require the City to negotiate on matters which are solely a function of management, or not otherwise assigned as an employee right, including the following:

1. To manage the City generally and to determine issues of policy.
2. To determine the existence of facts which are the basis of management decisions.
3. To determine the necessity for and organization of any service or activity conducted by the City, and to expand or diminish services.
4. To determine the nature, manner, means, technology, and extent of services to be provided to the public.
5. To determine methods of financing.
6. To determine types of equipment or technology to be used.
7. To determine and/or change the facilities, methods, technology, means, organizational structure, and size and composition of the work force, and to allocate and assign the work by which the City operations are to be conducted.
8. To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions, including, but not limited to, the right to contract for or sub-contract any work or operation of the City. Such changes shall be subject to reasonable notice and good faith meet and confer.
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments upon reasonable notice and good faith meet and confer.
10. To lay off employees from duties because of lack of work or funds, or under conditions where continued work would be ineffective or non-productive.
11. To establish and modify productivity and performance programs and standards.
12. To dismiss, suspend without pay, demote, reprimand, withhold salary step increases, or otherwise discipline employees for cause.
13. To determine minimum qualifications, skills, abilities, knowledge, selection procedures and standards, and job classifications, and to reclassify employees.
14. To hire, transfer, promote, and demote employees for non-disciplinary reasons.

15. To determine policies, procedures, and standards for selection, training, and promotion of employees.

16. To establish reasonable employee performance standards including, but not limited to, quality and quantity standards; and to require compliance therewith.

17. To maintain order and efficiency in City facilities and operations

18. To establish, publish, and/or modify rules and regulations to maintain order and safety and health in the City. The City agrees to meet and confer on any items that fall within the scope of Government Code Section 3500 et, seq.

19. To restrict the activity of an employee organization on the municipal property and on municipal time except as set forth in the City's Personnel Rules and Regulations.

20. To take any and all necessary action to carry out the mission of the City in emergencies.

## ARTICLE III

## UNION RIGHTS

1. Union Leave

A. The designated unit representative shall be granted reasonable release time, without loss of compensation or benefits, to meet with representative(s) of the City in regard to employee-employer relations matters.

B. Upon request of the SAFF, Local 522 unit representative, a reasonable number of employees may be released from duty, without loss of compensation or benefits, for the purpose of meeting with the City. Such release time shall include thirty (30) minutes before and fifteen (15) minutes after the scheduled meeting. The times before and after the meetings are in addition to reasonable travel time to and from the employee's work location.

C. The City reserves the right to postpone or cancel a meeting if adequate staffing of the City's emergency services would be curtailed by the release of participating personnel.

D. Time used, pursuant to this section, shall be in addition to the time provided in Article III, Section 2, Union Bank Time.

2. Union Bank Time

A. Employees in the bargaining unit may, but are not required to, donate accrued annual leave, holiday leave, compensating time off or staffing furlough time, in no less than one (1) hour increments, into a bank of hours from which designated representatives may draw time for the purposes of conducting Sacramento Area Firefighters Local 522 activities. Donated time will be transferred from the donating employee's accrued annual leave to the Union Bank in August of each year. Should supplemental donations be needed, the unit representative will notify the City and an additional "donating" period will be permitted.

B. The unit representative or designee must approve, fill out and submit a leave slip for all employees using the Union Bank. The release of employees on Union Bank Time shall be subject to both the approval of the Unit Representative and the needs of the City, as determined by the Fire Chief. Approval by the Fire Chief shall not be unreasonably withheld. In no event shall more than three (3) bargaining unit members be released from duty, pursuant to this section, at the same time.

C. The unit representative or designee must request through the on-duty Battalion Chief for the release of employees on Union Bank Time at least ten (10) work days prior to the desired time off. Under unusual or emergency circumstances, the request may be considered for approval with less than ten (10) working days' notice.

3. Union Security

The following provision has been agreed to pursuant to Section 3502.5 of the Government Code.

A. Membership dues shall be payroll deducted and transmitted to the SAFF, Local No. 522.

B. Any employee who is a member of a Bonafide religion, body or sect that has held conscientious objections to joining or financially supporting public employee organizations shall not be required to financially support SAFF, Local No. 522. Such an employee shall, in lieu of the service fee, pay a sum equal to the service fee to a non-religious, non-labor charitable organization that is exempt from taxation under the Internal Revenue Service Code and identified by the SAFF, Local 522.

C. The SAFF, Local 522 expressly agrees to indemnify, defend and hold the City harmless for any and all claims, demands, costs (including any costs and attorney's fees incurred by the City in defense of a lawsuit), expenses, damages or other monetary losses arising out of or in any way connected with any action or inaction of the City in adoption or administration of this section. This hold harmless defense and indemnity agreement shall include but not be limited to employee legal actions of any sort or nature against the City based upon or related to this section.

## ARTICLE IV

## SALARY AND OTHER COMPENSATION

1. Market Survey

The City agrees that if a Market Survey is to be completed, the classifications of EMT and Paramedic, whether employed by private or public agency, with similar roles and responsibilities shall be used. Additionally, it is agreed that the following public provider agencies, given their existing single role EMT – Paramedic program, shall be used, City of Sacramento, Sacramento

Metropolitan Fire Protection District, and El Dorado Hills Fire District. To ensure competitive compensation, private provider transport agencies conducting business in the Sacramento Region, should be included.

A. Employees that maintain paramedic licensure and accreditation shall be reimbursed for the cost of the licensing and accreditation. Employees will not receive compensation for any late fees associated with paramedic licensure renewal or accreditation continuation.

B. Current employees achieving paramedic status must receive pre-authorization from the department to qualify for participation in the paramedic program.

3. Temporary Work Assignments

A. Employees assigned to a temporary "day shift" assignment will receive a 10% pay increase for the duration of the assignment. Such assignment shall not be for more than ninety (90) days in duration unless otherwise agreed to by the Employee and the Department.

4. Educational Incentive

A. Employees subject to this Agreement shall be eligible, upon proof of eligibility, to receive a monthly educational incentive pay as described in this section of up to 10%, in addition to the regular base pay:

1) Any Associate of Arts or Science Degree from a City approved recognized college or university (as defined in Section D), shall receive 5%.

2) Bachelor of Arts or Science Degree in Fire Technology/Science, Public Administration, Business Administration, Public Safety, Emergency Management, or other approved programs from a City approved accredited college or university (as defined in Section D) shall receive 10%.

B. Educational Incentive Pay shall be received by the employee upon submitting substantial proof of eligibility acceptable to the department and shall not be applied retroactively. Substantial proof shall be a diploma, certificate, or official acknowledgement that all educational criteria for the document have been submitted.

C. Recognized colleges and universities are those institutions of higher learning accredited by one or more of the United States regional accrediting bodies.

5. Longevity Pay Plan

A. Subject to subsections B below, the City will pay employees represented by the SAFF, Local 522 for their continued longevity based on the following formula.

The Longevity Pay increments will be paid on a monthly basis.

| | | |
|---|---|---|
| | 2 ½% | After 10 years of full-time City service |
| Additional | 2 ½% | After 15 years of full-time City service |

Additional 2 ½% After 20 years of full-time City service

B. Longevity Pay shall not exceed a total of 7 ½% per month for an employee with twenty or more years of full-time City service.

7. Retirement

A. Public Employees Retirement System (PERS) – Formula

1) Safety fire employees hired by the City of Folsom on or prior to October 16, 2011, shall receive the retirement benefit of 3%@50.
2) Safety fire employees hired by the City of Folsom on or after October 17, 2011, who qualify as CalPERS Classic Members shall receive the retirement benefit of 2%@50.
3) Safety Fire-EMS employees hired on or after January 1, 2013, shall receive the retirement benefit of 2.7%@57 or as specified in the California Public Employee' Pension Reform Act of 2013 (PEPRA).
4) Safety fire employees hired on or prior to October 16, 2011, shall receive the retirement benefit based on the single highest twelve (12) months of compensation. Safety fire EMS employees hired on or after October 17, 2011, shall receive the retirement benefit based on the employee's highest average monthly compensation during thirty-six (36) consecutive months of employment as provided in state law pertaining to PERS.

B. Public Employees Retirement System (PERS) -- Retirement Contribution:

1) The City agrees to pay the full cost of employer contributions to the Public Employees' Retirement System (PERS) for all employees in the Sacramento Area Firefighters Local 522 bargaining unit, as currently contracted with PERS.
2) Employees who are CalPERS Classic members shall pay 9% of the employee share of retirement. Safety fire EMS employees who are PERS PEPRA members will pay the employee contribution as specified and adjusted by PERS.
3) The City agrees to continue Government Code Section 20691, Conversion of Employer Paid Member Contributions (EPMC).

C. PEPRA Members Supplemental Retirement Plan:

1) Effective as soon as administratively possible, but no later than 90 days from ratification, the City shall establish a 457 Plan for members hired on or after January 1, 2013. Government (Gov.) Code section 7522.10 of the PEPRA law provides the authority for the earnings limit for all PEPRA members. In the event PEPRA members reach the annual compensation limits in a calendar year, the City and employee shall deposit an amount equal to the employee/employer retirement contributions into the

employee's 457 Plan for the remainder of the calendar year. Contributions to the 457 Plan shall be paid on each payroll cycle. At the start of the new calendar year, contributions to the 457 Plan shall be paused, and all contributions shall resume to CalPERS until the member reaches the annual limit in the new calendar year.

8. Pre-Retirement Optional Settlement 2W Death Benefit (Survivors)

Effective October 16, 2006, the City modified the contract with the Public Employees Retirement System (PERS) to add Government Code Section 21548, Pre-Retirement Optional Settlement 2W Death Benefit.

9. PERS Retirement – Alternate Death Benefit

The City has amended its contract with the California Public Employees Retirement System to add the Alternate Death Benefit for Local Fire Members credited with 20 or more years of service (Government Code Section 21547.7). SAFF Local 522 agrees that all costs associated with this PERS contract amendment shall be borne by employees in the SAFF Local 522 Bargaining Unit. To this end, the City will deduct a flat amount per paycheck from each employee in the SAFF Local 522 Bargaining Unit sufficient to fund the cost of this PERS contract amendment.

10. Social Security Withdrawal

The City agrees to reopen and negotiate the direction of funds, should the City withdraw from Social Security.

11. Field Training Officer (FTO)

A. Field Training Officer Program

The City and the SAFF, Local 522 agree to jointly develop and implement a Field Training Officer (FTO) program to assist in the career development and mentoring of department employees or paramedic interns. Additional career development training may be added to the program as agreed to by both parties. Only one person may serve as an FTO at any one time for an individual receiving career development and mentoring. Parties agree to meet as agreed on for the purpose of developing a FTO operating plan for the Department.

1) The Fire Chief shall certify the qualifications of an employee as a designated FTO prior to using the employee in that capacity. The FTO plan used by the department shall be voluntary in nature and shall not require participation by employees. Employees who volunteer to be an FTO shall not be negatively affected in their annual evaluation for performance as an FTO. An employee may be removed from the FTO position by the Fire Chief due to lack of need for the FTO or other reasons as set forth by the City.

B. Field Training Officer Compensation

1) The City shall pay FTO compensation on an hour-for-hour basis to

employees who are assigned in writing by the department to work in this capacity. Fire-EMS employees shall receive an additional $4.00 per hour while serving as an FTO.

2) FTO compensation shall be paid to employees providing for the training of department employees (probation or full time) or paramedic interns as authorized by the Fire Chief.

12. Salary

A. Effective July 1, 2027, all employees shall receive a salary increase of 2.5%.

ARTICLE V

OVERTIME

1. Overtime Computation

A. Overtime hours worked will be compensated at one and one-half (1 ½) times the employee's straight time hourly rate of pay (including all compensation regularly and routinely received by the employee), based on 40-hour work week (2080 hours worked per year).

B. FLSA Overtime - To be eligible for FLSA overtime, employees in the Single Role classifications must actually work "feet on the ground" for more than forty (40) hours in the 7-day workweek.

C. MOU Overtime - To be eligible for MOU overtime, employees in the Single Role classifications must be in "paid status" more than forty (40) hours in the 7-day workweek.

1. For purposes of calculating MOU Overtime, all paid leave, with the EXCEPTION of sick leave, will be considered "paid status" for purposes of determining overtime owed under this Agreement.

2. All hours exceeding 40 hours in the 7-day work week, in combination of actual hours worked AND leave while in "paid status" will result in overtime.

D. Pursuant to City Personnel Rules and Regulations all overtime shall be compensable in increments of thirty (30) minutes rounded up.

E. Incidental overtime of less than fifteen (15) minutes in a non-recurrent extension of the workday/shift is non-compensable in any form.

F. Employees shall be compensated at their overtime rate of pay for one (1) full hour when working beyond the incidental overtime period (Article V, Section 1(D), Overtime) as a result of a dispatched incident.

G. The department has the right to require employees to remain at work and perform work-related duties for the duration of the established overtime period.

2. Compensating Time Off

Compensatory time off (CTO) may be accrued in lieu of overtime pay to a maximum of one hundred forty-four (144) hours. Employees shall take CTO off in a manner consistent with Annual Leave. Accrued CTO shall be used before any other accrued leave time is

used.

3. Overtime Scheduling

The City agrees to a list for "Special Events" and a list for "Scheduled Overtime Duty".

A. "Scheduled Overtime Duty" ("SOD") procedures will follow the most current "SOD" Procedures found in the Fire Department Standard Operating Procedures Manual. "SOD" list shall be zeroed out on January 1st of each year and revert to overall seniority then to overtime hours.

B. "Special Events" shall be a rotating list. Employees hired and/or mandatory hired under the "Special Events" criteria shall rotate to the bottom of the "Special Events" list, without regard to the number of regular overtime hours worked.

1) "Special Events" is defined as any event that increases the daily staffing over the normal staffing level (i.e., Rodeo stand by, Red Flag warning day, Wind event).

C. The parties agree to meet and confer over the impact of future special events on SAFF 522 members.

4. Emergency Callback

A. Employees are subject to routine or periodic emergency callback that is inherent and integral part of their assigned job responsibilities in order to provide continuous public services deemed to be necessary and appropriate by the City Manager or Fire Chief. The Fire Chief or his/her designee shall initiate emergency callback to all employees to return to work when an emergency condition at the National, State, or local level compels the Fire Chief to provide staffing for continuous public service deemed necessary and appropriate to maintain department operations.

B. Employees shall keep the Department apprised of a current telephone number where they can normally be reached during off-duty hours. Employees shall respond to an emergency callback within a reasonable amount of time, unless the employee is incapable of doing so.

C. Emergency callbacks shall be paid at (1 1/2) times the hourly rate of pay, for a period of two (2) hours or for hours actually worked, whichever is greater. Section 5 of Article V, Overtime, does not apply to emergency callbacks.

5. Mandatory Hires

A. Employees who are notified that they are being mandatory hired to work overtime as a result of unplanned vacancies (e.g., sick leave, emergency leave, strike team backfill) that originate within twenty-four (24) hours or less of the start of the next scheduled work shift shall be compensated at a rate at two (2) times the employee's regular hourly rate of pay for up to a maximum of eight (8) hours per occurrence and one and one-half (1 ½) times the employee's hourly rate of pay for the balance of the mandatory hire shift.

B. Employees that volunteer to work a mandatory hire in place of another employee who has been notified that they are being mandatory hired will work that overtime at the employee's

normal overtime pay rate of one- and one-half times (1 ½). The employee volunteering for that shift will have their name moved to the bottom of the mandatory hire list.

6. Court Appearances

Fire-EMS personnel will be compensated for required, job related off-duty court appearances at one- and one-half times (1 ½) the hourly rate of pay, for a period of four (4) hours or for hours actually worked, whichever is greater. Personnel filling shift vacancies for employees appearing on-duty for court appearances shall receive overtime compensation in accordance with Article V, Section 1, Overtime.

7. Staffing Errors

An employee, who reports to work on an overtime shift and is released from duty because of a staffing error, will be compensated for two (2) hours at one and a half times (1 ½) the hourly rate of pay.

8. Scheduled Off-Duty Training

Fire-EMS personnel will be compensated for scheduled, off-duty training that is required by the Department and approved by the Fire Chief. Compensation shall be at one and a half times (1 ½) the hourly rate of pay, for a period of two (2) hours or for hours actually in attendance, whichever is greater. In the event the training is canceled, and the employee has arrived at the training location he/she will be compensated for two hours of overtime.

7. City Business Travel

A. Employees who travel to do business for the City shall be compensated for actual hours worked, including travel time. Employees that are not on a regular scheduled day to work shall be compensated one and one half (1 ½) times the employee's total hourly compensation rate.

B. Employees who travel to do business for the City that are on a regular scheduled workday shall be placed on Offsite (OS) Status for the entire work period with no loss in wages or benefits.

C. The employee may request a Per Diem, which shall be the maximum Per Diem based on the current Maximum Domestic Per Diem Rate table in accordance with the City Travel Policy. If Per Diem was not requested prior to departing on City business, the employee upon returning from the City business may submit a Per Diem request for reimbursement with receipts. Out-of-county strike team assignments or overhead assignments do not qualify for Per Diem.

## ARTICLE VI

## HOURS OF WORK

1. 40 Hour Fire-EMS Schedule

The City and the SAFF, Local 522 agree to the work schedule as follows:

Work Schedule: OXOXXXX

A. Personnel will be assigned to a 40-hour work week (2,080 straight-time hours per year) and will be regularly scheduled to work 48 hours per week, consisting of two (2) 24-hour shifts. The 48-hour schedule includes eight (8) hours of required overtime per week (416 hours per year).
B. A shift rotation is defined as one (1) continuous 24-hour shift.
C. Shifts begin at 0800 hours and continue for 24 hours ending, the following morning at 0800 hours.
D. Employees shall be compensated at one and one half (1 ½) times the employee's total hourly compensation rate for all hours worked in excess of 40 hours in a 7-day workweek. A workweek period is defined as Sunday at 0800 hours to the following Sunday at 0759 hours.

E. Pursuant to Article II, Item 9, Management Rights, of the MOU work schedules shall continue to be at the discretion of the Fire Chief in consultation with the City Manager, upon reasonable notice and good faith meet and confer with the SAFF, Local 522. The City also reserves the right to review this shift schedule on a periodic basis in order to address any potential inequities or problems.

2. Modified Duty Assignments

The department reserves the right to determine and approve all modified duty assignments. However, the City will endeavor to provide modified duty assignments upon request to any employee who submits verification from a medical physician identified from a City health insurance plan, or from a Worker's Compensation approved treating medical physician, substantiating the necessity for such modified duty as a result of pregnancy, injury or illness. The department shall determine the hours and duties of any approved modified duty assignment. Although Modified Duties Assignments are temporary, they are not to be classified as "Temporary Work Assignments" as defined in Article IV, Section 3A, Temporary Work Assignments. In the event the employee is placed on a forty (40) hour work schedule Article VII, Section 1, Holidays, will not apply and the employee will continue to receive HIL pay.

3. Fair Labor Standards Act (FLSA)

The City shall comply with the Fair Labor Standards Act (FLSA) and agrees to meet with the SAFF, Local 522 in order to discuss sections of the Act which affect the agreed upon wages, hours and other terms and conditions of employment.

4. Station and Shift Transfer Process

A. Department Requests

In the event a departmental need arises to move personnel from one shift to another shift, or from one station assignment to another, the basic reason for the need shall be made known to the affected employees. Whenever a vacancy occurs, it shall be bid for by seniority in the rank in which the vacancy occurs. If the vacant position is not filled through the bid process (no one applies), assignments shall be made through inverse order of seniority within the rank. If the transfer is due to

departmental need, the City will be responsible for honoring the employee's scheduled vacation dates.

B. Employee Requests

Employees voluntarily seeking transfer from shift to shift, or station to station, may fill out a shift/transfer request form and submit it to the Fire Chief or his/her designee for approval.

1) Requests to move stations/shifts will be approved by the Fire Chief or his/her designee if there are no negative operational impacts to the Department.

2) Station/Shift transfer requests may be submitted twice annually for consideration.

a. Deadlines to request a transfer are September 15th, with an implementation date near the beginning of the next calendar year based upon established work schedules and pay cycles. Employees granted a shift transfer at this time will be notified by the Fire Chief or his/her designee no later than October 1st and will bid station assignment and vacation dates on the newly assigned shift.

b. Station / Shift transfer requests will be considered mid-year as well. The deadline for such requests is June 1st with an implementation date near the beginning of July based upon established work schedules and pay cycles. Employees granted a shift transfer at this time will be notified by the Fire Chief or his/her designee no later than June 15th. Employees who are granted a Station/Shift transfer mid-year assume all responsibility for re-scheduling their vacation dates pursuant to the MOU and/or loss of the bid vacation dates. Employees granted a Station/Shift transfer mid-year will be assigned to the vacancy identified based upon their seniority in rank.

c. Voluntary Station/Shift requests are final once the Department has notified the employee in writing of the transfer request approval. Members are specifically precluded from initiating any appeal process (including Article XII, Grievance Procedure) to either the City of Folsom or the Folsom Fire Department for any alleged violations of this section.

5. Station Bids

Station bids for each shift will be conducted at least annually. The Department will establish a list of departmental needs for each individual station. The most senior person by rank will bid for assignment based on filling the department's needs until all of the department's needs have been met and all of the vacant seats have been filled.

## ARTICLE VII

## HOLIDAYS

1. Non-Shift Personnel

Employees who are not assigned by the Fire Chief to work shifts shall receive the following:

A. The following holidays shall be observed by the City:

1) New Year's Day (January 1)
2) Martin Luther King Day
3) President's Day (Washington's Birthday)
4) Memorial Day
5) Independence Day
6) Labor Day
7) Veterans Day
8) Thanksgiving Day
9) Friday following Thanksgiving Day
10) December 24
11) Christmas Day
12) December 31
13) One (1) personal holiday as set forth in Item E) below.

B. If any holiday falls on a Saturday, the proceeding Friday shall be observed as the holiday; and if any such holiday falls on a Sunday, the following Monday shall be observed as the holiday.

C. If a holiday occurs on the employee's first normal day off, the employee shall take the preceding day as the holiday; however, if the holiday occurs on the employee's second consecutive normal day off, the employee shall take the following day as the holiday.

D. Notwithstanding the above, eligible employees who are not able to take a designated holiday day off shall be credited with one (1) additional day of annual leave (8 hours) for each holiday not taken.

E. As listed under Item A above, employees shall be entitled to one (1) personal holiday (8 hours) per calendar year. Employees who have not completed their initial probationary period may not take their personal holiday until they have completed the probationary period.

F. No holiday pay shall be accrued when an employee has been off work on unpaid status for more than ninety (90) days.

2. Holiday Pay Differential

In lieu of all holidays authorized or observed by the City, employees shall receive holiday-in-lieu pay as follows: Holiday-in-lieu pay of six percent (6.0%) shall be paid in equal amounts each pay period. The amount of such pay shall be of the employee's base hourly pay, in effect during the pay period. Holiday-in-lieu is additional compensation for employees who are normally required to work on an employer approved holiday because they work in positions that require staffing without regard to holidays.

Holiday Pay shall be compensable for retirement (PERS) purposes.

3. Holiday Routine

On those days which are official City holidays, or on any other days declared a holiday by the Administration, a holiday routine will be utilized. Under this procedure, the personnel will be allowed to spend the day pursuing leisure activities within the following guidelines:

A. Morning apparatus checks are to be performed promptly as on any other day.

B. Any maintenance or other activity required to maintain the company at an appropriate level of readiness will be performed.

C. Any other activity will be performed, if in the judgment of the officer in charge, to delay or fail to perform such an activity would in any way be detrimental to the Department's equipment or operation.

## ARTICLE VIII

## LEAVES

1. Annual Leave.

1. Employees shall receive the following Annual Leave credits:

**Day-shift personnel (40-hour work week):**

| Length of Service | Annual Leave Allowance |
|---|---|
| 0 - 5 years | 15.34 hours per month |
| 5 – 10 years | 18.66 hours per month |
| 10 – 15 years | 21.34 hours per month |
| 15+ years | 23.34 hours per month |

**Shift personnel (48-hour work week):**

| Length of Service | Annual Leave Allowance |
|---|---|
| 0 - 5 years | 20.86 hours per month |
| 5 - 10years | 23.70 hours per month |
| 10 - 15 years | 26.00 hours per month |
| 15+ years | 27.72 hours per month |

B. Except as specified in Article VIII, Section D (1) below, employees shall not accrue sick leave. However, employees who have accumulated sick leave hours shall retain such hours and may use such leave credits pursuant to Article VIII, Section 5, Sick Leave, of this MOU.

C. Subject to Article V, Section 2, annual leave credits may be used for any approved absence, including vacation and illness or injury. When annual leave is used for

vacation, it will be scheduled pursuant to Article VIII, Section 2, Leave Request Procedure and Section 3, Vacation Bidding. When annual leave is used for illness or injury leave (e.g., sick leave) purposes, it will be taken pursuant to Article VIII, Section 5, Sick Leave, of the MOU.

D. Employees with annual leave balances that exceed the annual leave caps of 275 for non-shift/412 for shift employees as of the date of ratification by City Council of this MOU, may retain such balances until the annual leave balances are reduced to the new caps.

1) To avoid exceeding the maximum of 275/412 hours of accumulated annual leave, the City may direct an employee to take time off on annual leave. However, in the event the City does not approve annual leave for an employee in an amount sufficient to reduce accumulated annual leave to 275/412 hours, the number of hours that exceed 275 /412 hours shall be rolled over into sick leave until the annual leave balance is reduced to the cap.

E. Employees may cash out up to 40 hours of annual leave for non-shift personnel, and 48 hours of annual leave for shift personnel per fiscal year. Annual leave shall be cashed out pursuant to procedures established by the City Human Resources Department.

F. Accrued annual leave shall be cashed out upon separation of employment with City on an hour for hour basis.

2. Leave Request Procedure

A. Leave requests less than twelve (12) hours shall be granted if a qualified individual voluntarily accepts the overtime opportunity.

B. Unless an exception is granted by the Fire Chief no less than twelve (12) hours can be granted for leave purposes and 12-hour leave increments must begin or end at 0800 (i.e. 0800-2000 or 2000-0800 hours).

C. No more than fifteen percent (15%), (rounded to the nearest whole number), per shift inclusive of the Fire Captain, Fire Engineer, or Firefighter classifications-shall be granted leave for bid vacation (BV) purposes at any one time. Leave usage requests scheduled during an approved Bid Vacation (BV) process will be granted in accordance with this subsection.

D. No more than fifteen percent (15%), (rounded to the nearest whole number), per shift ~~within~~ inclusive of the Fire Captain, Fire Engineer, or Firefighter classifications-may be granted leave. Consideration of all shift vacancies will be examined prior to any additional leave approval by the Fire Chief or designated supervisor in consultation with the Union Representative. All prior approved leave requests will be honored regardless of total personnel off.

E. Exceptions to Subsection (D) may be granted by the Fire Chief so long as it does not result in a mandatory hire.

F. Leave requests for dates submitted twenty-one (21) days or more from the requested leave date will be accepted and may be approved as per subsection D above. Leave requests submitted within the twenty-one (21) day period, which create a vacancy requiring an overtime fill, will be approved if a qualified replacement accepts the overtime opportunity as per Section D above.

G. If the department decides to staff additional single role fire-EMS transport units, the Fire Chief will meet and confer with SAFF, Local 522 to discuss alternative leave request procedures for single role fire-EMS personnel.

3. Vacation Bidding

A. Vacation bid scheduling consists of one calendar year, starting January 1.

B. Vacation bidding will be based on seniority by shift. Seniority will be based on the original, full-time hire date of the employee.

C. The bidding process shall be completed ninety (90) days prior to the beginning of the calendar year. Bidding shall take place by the shift proceeding the ninety (90) day period and shall consist of a one-day process for each shift.

D. Shift employees shall be notified of the scheduled bid day for their respective shift thirty (30) days prior to that day by the Shift Representative.

E. Shift employees on extended leave, i.e., Worker's Compensation and vacation, shall be notified thirty (30) days prior to the scheduled bid date for their shift by the Shift Representative.

F. Vacation bidding will be held in rounds. Each employee will have the opportunity to select a continuous block of time, one (1) continuous block per round. Bidding by rounds will continue until all employees have completed selections. At the conclusion of the bidding process, employees shall submit their bid selections to the shift representative or unit representative on a Department Vacation Request slip by the end of that shift.

G. Vacation bidding cannot result in more than fifteen percent (15%), (rounded to the nearest whole number), or authorized shift personnel per shift shall be granted annual leave for bid vacation purposes at the same time. For example: 20 shift personnel per shift x 15% =3 personnel granted leave for bid vacation purposes.

H. Shift representatives or authorized designees will handle the bidding process for their respective shifts.

I. Employees on leave, i.e., Worker's Compensation, disability leave, or leave shall be responsible for submitting their selections for the bidding process. The desired bids by such employee shall be submitted to the respective shift representative or unit representative prior to the scheduled bid day. Failure to do so will result in vacation bid passes by the employee.

J. A continuous block of time consists of no less than twelve (12) hours and no more than ten (10) shifts. All blocks shall be consecutive, including multiple days of request of less than twenty-four (24) hours. A continuous block of time is defined as any vacation request within a ten (10) shift period when that block contains no more than fifteen percent (15%), (rounded to the nearest whole number), or authorized shift personnel per shift off.

K. Employees shall have the option to cancel Scheduled Bid Vacation and/or vacation thirty-one (31) days prior to the scheduled date.

L. At the completion of the bidding process, all calendar days with less than fifteen percent (15%), (rounded to the nearest whole number), of authorized shift personnel per shift off can submit a leave request pursuant to the MOU. These leave requests will be considered by the Fire Chief or designated supervisor, in consultation with the Unit Representative, and approval will be dependent upon the number of total vacancies on the requested day.

M. Vacation scheduling disputes will be submitted to the unit representative for review by a designated committee. Decisions by the committee will be final.

N. A calendar will be completed by the unit representative and/or shift representative and submitted to Fire Administration. The calendar and signed Department Leave Slips will be forwarded to Fire Administration. Individual employees are responsible for entering their own bid requests into TeleStaff within two rotations, after the bid process is complete, for review and approval by their immediate supervisor. Bid Vacation not entered into TeleStaff after two rotations from the bid process may be subject to forfeiture by the employee.

O. New hire employees will have seniority determined by the City at time of hire. Vacation scheduling shall be in accordance with City rules and regulations, Section 2.01.100 (B,1).

P. In the event an employee is transferred to another shift due to departmental needs, the City will be responsible for honoring the employee's scheduled vacation dates. If the employee requests a transfer to another shift after vacation bids are completed, the employee assumes all responsibility for re-scheduling of the bid dates pursuant to the MOU and/or loss of the bid vacation dates.

Q. The days of December 24th and 25th and Thanksgiving Day are considered "Sacred Holidays" and are not eligible for Bid Vacation or Vacation.

R. In the event an employee bids for vacation on the front end of a sacred holiday, it shall not be considered as a non-continuous block of time if the employee wishes to bid on the back end of the sacred holiday event, i.e. bidding or requesting vacation after the 25th of December.

S. The City of Folsom and the Folsom Fire Department shall be held harmless for the enforcement or implementation of this Section. Members are specifically precluded from initiating any appeal process (including Article XII, Grievance Procedure) to either the City of Folsom or the Folsom Fire Department for any alleged violations of this Section.

T. Employees shall not be allowed to bid more time than they have the ability to accrue in a calendar year in addition to 96 hours of comp time per month.

4. Shift Trades

A. Each employee may be allowed to trade time for shift(s) for which they are

able to secure another qualified employee to work in their place; provided that the substitution does not impose any fiscal impact to the City. Substitutions are to be made with the approval of the department. The Fire Chief or his/her designee retains the right to refuse the shift trade. The substitutions will be applied for in advance. The employee requesting the trade is responsible to fill the vacancy. The City shall not be held responsible for arrangements between employees.

B. Shift Trades not working must be 24 hours or greater at the end of the assigned rotation (0800-0800), or at the beginning of the assigned rotation (0800-0800). Shift trades of 24-hours will protect against a mandatory hire for the 4-days after or before the trade not working dependent on which end of the rotation it falls.

C. An employee on a shift trade will remain eligible for a mandatory overtime pursuant to Article V, Section 4, Emergency Callback.

D. In the event an employee creates an approved shift trade agreement with another qualified employee and that employee is unable to report to work for the shift, he/she shall either:

i. Notify the original employee so they can secure another qualified employee to work the shift, or
ii. The trade individual must find another qualified individual to work the shift, or
iii. The original employee must report to work, or
iv. In the event the original employee is unable to report to work, the Department will deduct the appropriate number of annual leave hours. If the Department must hire a replacement on overtime for the vacancy created, annual leave will be deducted from the accepting trade working employee using the provisions governing force hire compensation, Article V, Section 5 Mandatory Hires when applicable.
v. In the event that the accepting trade-working employee has an approved Workers' Compensation injury that prevents him/her from covering the shift in question, the fiscal responsibility shifts to the original employee requesting the shift trade unless the original employee finds another qualified individual to work the shift as trade working. If the Department must hire a replacement on overtime for the vacancy created, annual leave will be deducted from the original employee requesting the shift trade using provisions governing force hire compensation, as outlined in Article V, Section 5 Mandatory Hires.

E. An employee who submits and receives vacation bid dates pursuant to the MOU vacation bid process shall not cancel vacation date(s) and then use a shift trade with another employee to take the same date(s) off from work.

Exceptions:

1) An employee may cancel their vacation bid date and give it to a co-worker in need of the day off and then take a trade if the co-worker's vacation position will not create a mandatory hiring to fill the vacancy.
2) If, due to unforeseen use of annual or sick leave for injury or illness leave

purposes, employee's hours drop below the hours needed for vacation, the employee may cancel the bid vacation and take a trade.

F. Vacation date(s) that have been approved and filled with overtime cannot be cancelled and replaced by a shift trade, unless, the overtime was filled with a mandatory hire.

5. Sick Leave

A. For the purposes of this Section, immediate family is defined as the employee's parents, grandparents, spouse, son, daughter, brother, or sister and any step or foster relationship mentioned above, or any of these relationships to the employee's spouse. Immediate family shall also include any other person living in the employee's household as a family member.

B. Subject to Article V, Section 2, leave used for illness or injury (e.g., sick leave) is a paid leave of absence to be used in the following circumstances:

1) Actual illness or injury of the employee that occurred outside the scope of their employment;

2) Actual illness or injury of a member of the employee's immediate family, where the employee's attention/attendance is required.

3) Exposure of the employee to a contagious disease;

4) Medical, dental, or vision care appointments of the employee which cannot be scheduled outside of duty hours;

5) Medical, dental, or vision appointments of the employee's immediate family which require the presence of the employee.

C. Pursuant to Government Code section 20965, employees may convert accrued sick leave to service credit for purposes of retirement.

D. Utilization of leave for illness or injury and requirements the City may impose is as follows:

1) Eligible employees may be granted leave in minimum units of one (1) hour for the purpose of Section 5 of this Article.

2) The City may require probationary employees to support each use of leave for an illness or injury by requiring an attending physician's statement.

3) The City may require employees who have used three or more consecutive work days of leave for an illness or injury to submit an attending physician's statement.

4) Employees shall not use leave for disabilities determined to be job-related and compensable under Worker's Compensation.

5) An eligible employee who becomes ill or injured while on vacation

may have such period of illness or injury charged to Sick Leave. The request to change leave status must be requested to the on duty Chief Officer on the day of the occurrence or upon the employee's return to duty.

6) The following modifies City Rules and Regulations Section 2.01.110, Sick Leave, Subsection I, Item 2. Where an employee uses leave for the purpose of illness or injury for more than three (3) instances, during any twelve (12) month period may be considered as one indicator of abuse of leave for injury or illness.

E. Employees unable to report to duty and requesting leave due to illness or injury, after 2100 hours the day prior shall notify the Department pursuant to procedures established by the Department before 0700 hours on the morning of the leave request. Leave shall be approved if the reason meets the criteria specified in Article VIII Section 5B, Illness or Injury Leave.

6. FLMA or CFRA

A. Leave shall be granted for baby bonding time in accordance with CRFA with a 30-day notice given to the Battalion Chief. Baby-bonding leave shall be a minimum of 96-hour blocks with the exception that an employee may apply for less than 96 hours twice.

B. FMLA or CFRA leave for medical appointments will require approval by the Human Resources Department with valid documentation from the attending physician.

C. FMLA or CFRA leave for long-term care of a family member with medical needs will require approval by the Human Resources Department.

7. Bereavement Leave

Classified permanent or promotional probationary employees may be granted a maximum of ninety-six (96) hours or four (4) shifts from accrued leave time for each instance to deal with matters related to the funeral, death, or critical illness (where death appears imminent) of any member of the employee's immediate family, including parents, children, siblings, aunt, uncle, brother/sister-in-law, or daughter/son-in-law.

Annual leave usage for bereavement leave shall be taken by the employee in twelve (12) hour or greater increments for 56-hour employees and four (4) hour increments for 40 hour employees.

8. Personal Leave Time

A. Any Personal Leave Time (PLT) earned by employees and still remaining on the books may be used by employees for time off on an hour for hour basis until the employee has exhausted the bank. Use of PLT time shall be subject to the following:

1) Use of PLT shall be subject to the operating needs of the Fire Department.

2) PLT shall have no cash value and may not be cashed out. If an employee terminates employment with the City, any PLT remaining in the bank shall be surrendered with no value to the employee.

9. Emergency Leave

A. An employee may be approved for the use of annual leave for circumstances that requires the employee's immediate attention and are extraordinary, unforeseen, last minute, and unavoidable situations requiring not more than 24-hours.

10. Leave Time Accrual - Non-Pay Status

Notwithstanding Article VII, Section 1 and 2, Non-Shift Personnel and Holiday Pay Differential, and Article VIII, Section 1, Annual Leave, employees shall not accrue additional Annual Leave or Holiday Leave while on non-pay status; provided however, that employees on Workers Compensation (job related injuries) shall continue to accrue leave time until such employees are considered "permanent and stationary" pursuant to Workers Compensation law or expiration of ~~4850~~ time, whichever is sooner.

11. Local 522 Catastrophic Time Bank

The purpose of the catastrophic time bank is to enable employees to receive and donate any accrued annual, sick, personal or holiday leave to assist employees who have no leave, and who will suffer a financial hardship due to a prolonged illness or injury to themselves or a member of their immediate family as defined in Article VIII, Leaves, Section 5A. The following conditions shall apply:

A. Catastrophic leave will be available only to employees who have exhausted all of their own paid leave through a bona fide serious illness or injury.

B. The SAFF Local 522 (Folsom Fire-EMS Professionals) Catastrophic Time Bank shall be administered by the City.

C. An employee may be on disability insurance and use the time bank credits in the same manner that sick leave is used to supplement disability insurance benefits.

D. All donations are to be confidential between the donating employee and the City.

E. Employees donating to the time bank must have ninety-six hours of available leave credits after making a donation.

F. Donating employees must sign an authorization form (prepared by the City), and specify which catastrophic time bank the donation will be applied to, and the employee who is to be a recipient of the donation. Employees relinquish all rights and claims to hours donated.

G. Unused leave hours will remain in the SAFF Local 522 (Folsom Fire-EMS Unit) Catastrophic Time Bank

H. Donations shall be subject to applicable tax laws.

I. Availability, and the use of, catastrophic leave time shall not delay or prevent the City from taking action to medically separate or disability retire an employee.

J. The City may require a physician's statement, stating that the presence of the employee who is requesting catastrophic leave time to care for an ill or injured immediate family member is necessary.

12. Leave Conversion Rates

The City and the SAFF, Local 522 agree to the following terms related to the conversion of leave hours by employees when they are placed in temporary, permanent or modified duty assignments (in excess of the 1st full pay period) within the department.

G. Conversion from Shift work to "day shift" work week assignments. Employees temporarily or permanently assigned to staff positions on a 40-hour work week schedule shall have all leave usage banks (sick leave, annual leave, holiday-in-lieu, etc.) converted using a division factor of 1.2 for each hour available in the leave bank. As an example, a 56-hour employee with 100 hours of annual leave would see their annual leave bank adjusted to 83.33 hours with the employee assigned to a 40-hour work assignment.

H. Conversion from "Day shift" to "Shift" work week assignments. Employees temporarily or permanently assigned to line positions on a 56-hour work week schedule shall have all leave usage banks (sick leave, annual leave, holiday-in-lieu, etc.) converted using a multiplier factor of 1.2 for each hour of available in the leave bank. As an example, a 40-hour employee with 88.33 hours of annual leave would see their annual leave bank adjusted to 100 hours.

I. Leave accrual and usage rates shall be applied at the hourly rate used by the employee during the temporary or permanent assignment.

J. Leave conversion rates shall be applied to all leave accrual banks provided to the employee by the City (annual leave, holiday-in-lieu, etc.).

K. Any accrual in excess of the limits shall be paid to the employee in cash at the employee's total hourly compensation rate.

13. Jury Duty Leave

A. Employees who have been summoned or subsequently selected to serve on a jury shall receive their regular rate of compensation by the City for normal worked hours and days or shifts during such absence from work, provided the employee endorses to the city that compensation received by the employee for jury duty service.

B. Employees will be allowed to retain any mileage compensation granted to them by the respective court jurisdiction to which they were summoned or selected for jury duty. Employees summoned to jury duty must provide evidence of such summons and subsequent jury duty days away from work through the Fire Chief or the Human Resources Director. Employees shall be granted leave without loss of compensation and benefits for all time required to meet the jury duty obligation, as

follows:

1) Jury Selection. When the employee is required to physically report to the court for jury selection, he/she shall be released from Fire Department duty at 2000 hours when scheduled for work on the evening prior. When available, employees shall use telephonic or electronic methods for determining jury selection.

2) Serving Jury Duty. When the employee has been selected for jury duty he/she shall be released from Fire Department duty at 2000 hours when scheduled for work on the evening prior to each day of service.

3) Serving Concurrent Days. When the employee is serving on a jury panel for concurrent days he/she shall be released from his/her duty on a 24-hour basis for the specific days in service to the court.

4) Completion of Jury Duty. When service to the court is completed, the employee shall return to work as normally scheduled.

5) Scheduled Overtime. An employee who has scheduled overtime Fire Department duty shall notify the on-duty Battalion Chief of the summons and will be released from the scheduled overtime duty assignment for the entire work period.

## ARTICLE IX

## INSURANCE

1. Medical Insurance

The City's obligation for health, dental, vision, life and disability insurance coverage is limited to plan contribution. Plan content, including eligibility criteria, is determined by the respective carriers.

2. Health Insurance

A. The City's maximum monthly contribution for active employee health coverage for the year 2025 is as follows:

Employee only: $854

Employee plus one: $1,506

Employee plus family: $1,955

B. The City's maximum monthly contribution for active employees health insurance will be adjusted annually. If there is an increase in the Kaiser HMO monthly premium, the City will cover 50% of the increase, adding it to the previous year's contribution for employee-only, employee plus one, and employee plus two or more coverage levels. The final amount will be rounded to the next whole number. The employee is responsible for the difference between the applicable premium and the City's contribution. If there is no premium increase, the City's contribution remains unchanged.

Example:

If the previous year's City contribution for employee-only coverage was $500 and the Kaiser HMO premium increased by $20, the new City contribution would be:

$500 + (50% of $20) = $500 + $10 = $510

C. Employees who enroll in a health plan with a higher monthly premium than the City's maximum monthly contribution as established under part A and B above shall pay the difference between the maximum contribution amount and cost of the premium through payroll deduction.

D. The City will maintain an IRS 125 Medical Reimbursement Account. Employees may participate in the account pursuant to administrative procedures established by the City.

E. Effective December 31, 2019, employees who retire from City service must have at least 120 months of continuous service as a City employee to qualify for dental and vision insurance benefits provided to active employees. The City shall contribute 5% of the premium per year of City service, up to an 80% City contribution.

3. <u>High-Deductible Health Plans</u>

A. The City agrees to offer two High-Deductible Health Benefit Plans offered by the health benefit plan carriers.

B. The City agrees to make available a Health Savings Account (HSA) to employees who select either of the High-Deductible Health Benefit Plans.

C. Fifty percent (50%) of the difference between the City's monthly contribution towards the cost of the Kaiser HMO Health plan premiums as set forth in Article IX, Section 2 of the MOU and the monthly cost of the premium for a High-Deductible Health Plan shall be contributed into the employee's HSA. The City shall make this contribution through the termination date of this MOU, after which this Section C shall sunset.

D. Employees who decline to participate in City health insurance coverage shall receive a cash back payment from the City of $300.00 per month for each month the employee does not participate in City health insurance coverage.

E. Tax status of contributions, contribution amounts, and use of HSA funds shall be in accordance with federal and state law.

4. <u>Out-of-Area Health Plan</u>

A. OAHP shall work in conjunction with the Health Reimbursement Arrangement (HRA) provided by the City to active employees. Each OAHP retiree will obtain a participant account.

B. Only retirees who (a) are not eligible for Medicare who reside outside of the service area as defined by the City health insurance carriers; (b) qualify for retiree health coverage pursuant to Article IX, Section 9 and (c) agree to disenroll from the current group medical benefit plan for retiree health coverage may participate in OAHP.

C. Once a retiree opts to participate in OAHP, the retiree shall thereafter be prohibited from returning to retiree health coverage.

D. The City will contribute to the retiree's participant account on a monthly basis in an amount equal to the amount of the City's contribution for employee only or employee plus 1 coverage, based on the retiree's marital status at the time of OAHP election. Eligible dependents not covered at the time of election will not be added at a later date, Annual confirmation of dependent eligibility will be required. The City's contribution would be used for premiums to obtain health coverage and other qualified out-of-pocket medical expenses. Under no circumstances shall the contribution be higher than the City paid premiums for similarly situated in-area employees. The retiree shall be responsible for administrative costs established by the HRA plan administrator.

E. Upon the death of, or martial dissolution from, the retiree's spouse on record at the time of election to participate on OAHP, the funding level will be adjusted to employee only. Subsequent spouse(s) from any subsequent marriage(s) (i.e. post initial OAHP election) shall not be eligible to participate and funding will remain at employee only. In the event of the retiree's death, surviving spousal benefits will conform to City practices applicable to employees participating in City plans. Should the retiree obtain coverage from another source (e.g. coverage by spouse), the funding will cease and will not be reinstated.

F. Rules and procedures governing OAHP shall be determined and administered by the City's Human Resources Department. Disputes regarding OAHP shall be appealed to the City Manager or designee and shall not be subject to arbitration.

5. Dental Insurance

Dental insurance will be provided by Delta Dental Services, Inc. The City will contribute 100% of the monthly premium for an employee, employee and dependent or an employee plus family as set forth in the plan document. Otherwise, the City's obligation for dental insurance coverage is limited to dental plan contributions. Delta Dental Services, Inc. shall determine dental plan coverage.

6. Vision Care

The City will contract with Vision Services Plan (VSP) to provide vision care. The City will contribute 100% of the monthly premium for an employee, employee and dependent, or employee and family as set forth in the plan document.

The City's obligation for Vision insurance coverage is limited to plan contributions. VSP shall determine Vision insurance plan coverage.

7. Health Benefits Labor-Management Committee

The parties agree to participate in a joint Health Benefits Labor-Management Committee to review existing health benefit programs, including, but not limited to, cost containment, direct contracting for health benefit plans, and creation of a health benefits cafeteria plan. The Health Benefits-Labor Management Committee shall be open to all employee

organizations representing City of Folsom employees. The SAFF, Local 522 may select up to two City employees to participate in Committee meetings. Employees who participate in Committee meetings shall do so without loss of compensation.

8. Life Insurance

The City agrees to continue to pay the premium for $40,000 life insurance coverage and $40,000 accidental death and dismemberment coverage for employees in the bargaining unit for the term of this Agreement.

Eligible dependents shall receive $2,000 life insurance coverage.

9. Short Term Disability Insurance

The City agrees to provide a Short-Term Disability Insurance Program, with the City paying 100% of the premium rate for the weekly indemnity insurance program (short-term disability) of up to 60% of the salary of the plan maximum for up to sixty (60) calendar days. The waiting period for initiation of benefits shall be twelve (12) calendar days. Otherwise, the City's obligation to provide Short Term Disability insurance coverage is limited to plan contributions. The Short-Term Disability insurance carrier shall determine plan content. The City will meet with Local 522 upon request.

10. Long Term Disability Insurance

The City and the SAFF, Local 522 agree that the SAFF, Local 522 will provide a Union sponsored plan covering long-term disability for non-work-related injury and illness.

The cost of the premium will be a post-tax deduction from the employee's semi-monthly paycheck.

The Long-Term Disability insurance carrier shall determine plan content.

11. FMLA/CFRA Leave Status

Health insurance coverage is limited to the City's obligation as set forth in Federal and State law in relation to FMLA or CFRA. An employee on either FMLA or CFRA leave status will have continued health insurance as found in this Article during the leave period. The employee is responsible for applicable premium co-payments as required.

Upon exhaustion of FMLA or CFRA, the City will provide the employee with a notice advising of COBRA rights to which the employee may be entitled. Notwithstanding whether the employee is or is not supplementing disability insurance to maximize income, the employee shall cease leave accruals and be solely responsible for health insurance coverage.

12. Retiree Health Insurance

A. Employees hired on or prior to May 8, 2007, who retire[1] from City service on July 1, 2007 or later may participate in the health insurance plans made available by the City for active employees. The amount of the City's monthly contribution shall be determined as set forth below. Any costs that exceed the maximum paid by the City towards retiree health insurance costs shall be borne by the retiree.

1) Employees who retire with less than 5 years of service[2] shall not be eligible to receive any City contribution toward the cost of retiree health insurance.

2) Employees who retire with more than 5 years of service shall qualify for a monthly City retiree health insurance contribution.

a. Subject to the maximum set forth in 10b below, the City retiree health insurance contribution shall be as follows:

i. Retiree only – an amount equal the City's contribution towards active employee health insurance[3] for the category of "employee only."

ii. Retiree and one dependent – an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus one."

iii. Retiree and two or more dependents - an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus two or more" until the retiree reaches age 55. Thereafter, the City's contribution towards a retiree with two or more dependents shall be an amount equal to the City's contribution toward active employee health insurance for the category of "employee plus one plus $100".

b. The City's monthly contribution toward the cost of retiree health insurance shall not exceed the maximum monthly contribution paid by the City to active employee health insurance for the categories of employee only (for retiree only), employee plus one (for retiree plus one dependent), and employee plus two or more until age 55 and employee plus one plus $100 after age 55(for retiree plus two or more dependents).

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1 " Employees" are exclusively permanent and/or probationary employees of the City of Folsom on the date the Addendum was approved by the Folsom City Council (May 8, 2007). "Retire" or "retiree" is defined as any classified City employee who (1) applies for retirement with the Public Employees' Retirement System (PERS) within ninety (90) days after terminating employment with the City; and (2) receives a PERS retirement benefit.

2 "Service" is defined as full time (or equivalent) continuous permanent and/or probationary employment status with the City of Folsom.

3 "Active employee health insurance" shall be defined as the health benefits contribution formula in effect for active employees as of July 1, 2011.

i. The cap for each category shall be adjusted each January thereafter by an amount not the exceed 3%, depending on the percent increase in the Consumer Price Index (CPI), U.S. Department of Labor, for November - November of the previous year, Index CPI-W, Urban Wage Earners and Clerical Workers, Series #CWUR0400SA0, United States. (Example, if the cost of living for the specified period increases by 2%, the cap shall be increased by 2%. If the cost of living for the specified period increases by 4%, the cap shall be increased by 3% (cost of living increases in the cap shall be rounded to the nearest tenth.)

c. The City shall contribute $25 per pay period into a Health Reimbursement Arrangement (HRA) for each probationary/permanent employee hired after May 8, 2007.

d. The parties acknowledge that unit members who retire from City service prior to July 1, 2007, shall, subject to future negotiations and agreements, receive health benefits as set forth in the 2006-2008 Memorandum of Understanding (Article IX, Insurance, paragraph 2(A) between the City and Sacramento Area Firefighters, Local 522, IAFF Folsom Unit.

13. Retiree Health Benefits Reopener

A. The City agrees to conduct a bi-annual actuarial study of the cost of health benefit programs for employees who retire from City employment. The first actuarial study shall be conducted not later than July 1, 2007.

B. A copy of the completed actuarial study shall be sent to each employee organization that represents City employees. Upon request of either the City or SAFF, Local 522, the parties agree to reopen the MOU and meet and confer in good faith on MOU provisions covering health, dental, and/or vision insurance programs for active employees and/or active employees who retire from City employment.

C. If the City and an employee organization other than SAFF, Local 522 reopen that employee organization's MOU on the MOU provisions referenced in 11B above, the City will immediately notify SAFF, Local 522 and offer to meet and confer.

## ARTICLE X

## ALLOWANCES AND REIMBURSEMENTS

1. Uniform Allowance

A. The City agrees to pay employees the sum of one thousand two hundred fifty dollars ($1,250.00) per year for the purchase of approved on duty uniforms and attire. All uniforms purchased shall comply with the most current regulations and specifications as identified in the Standard Operating Procedures (SOP).

1) Payment of the annual uniform allowance shall be made on or about July 20. Employees with less than six (6) months service by July 1 of a given year shall not be granted a uniform allowance.

2) On initial employment, the City agrees to purchase new employees all uniform components noted below:

- Two (2) class B short sleeve shirts – Workrite - Navy blue Nomex
- One (1) class B long sleeve shirt – Workrite - Navy blue Nomex
- One (1) tie and tie clip
- Three (3) class B pants – Workrite - Navy blue Nomex
- One (1) pair O.S.H.A. approved safety boots, 8" high lace type, zipper optional, with toe protection and sole penetration protection.
- One (1) class B jacket – 511 Chameleon brand dark navy jacket
- One (1) belt-black, basket weave, 1 ¾" width, chrome buckle, open slot chambers style
- Six (6) class C tee shirts – 100% cotton, navy blue, crew neck
- Two (2) pair shorts – l00% cotton, navy blue
- One (1) baseball cap

2. Uniforms - Class A

The City will continue to provide a Class "A" uniform for all full-time personnel after their probation period has ended. This will include one (1) dress jacket, one (1) dress pant, one (1) tie, one long sleeve white shirt, one (1) dress shoes, and one (1) uniform cap as identified in the most current Fire Department Standard Operating Procedures.

3. Mileage Reimbursement

Employees shall be reimbursed for the use of their personal vehicle, at the IRS approved rate, for all miles driven at the direction of the City.

4. Tuition/Books Reimbursement

Employees who attend job related classes/training provided by either recognized college or Fire Certification (State Fire Marshal) programs that are approved by the department shall be entitled to reimbursement of costs for books and tuition up to one thousand two hundred fifty ($1250) per fiscal year with a maximum reimbursement window of up to two (2) years per class, after the date of completion of the designated class(es). The Fire Chief may authorize additional employee reimbursement costs above this limit, when requested by the employee, should said request not exceed the budgeted amount of the department for this program.

A request for reimbursement must be submitted in writing and approved in writing.

Approval shall be given in writing by the department Training Officer prior to the beginning of the class/training program.

An employee may repeat a job-related course to maintain or upgrade his/her knowledge, skills and abilities.

Attendance in job related classes/training programs will be non-mandatory and will not include overtime payment or reimbursement for costs of transportation, meals, or other incidental expenditures, unless otherwise specified prior to the course and approved by the department.

Employees who fail to attend or satisfactorily complete a job-related class/training program

shall reimburse the department for all costs incurred by the City. The City shall deduct the total amount of monies spent by the department from the employee's paycheck over the next four (4) pay periods.

A. Eligibility

When an employee attends a recognized college or university for job related training, such institutions of higher learning shall be accredited by one or more of the United States regional accrediting bodies.

5. Compensation for Training

Training for programs authorized or required by the City shall be financed by the City except as otherwise specified by the City Manager or department head prior to the participation in such training. Such compensation is separate and distinct from the compensation offered for the position and classification involved in training. Subject to approval by the department head or City Manager, employees may be authorized to attend training programs during regular working hours. When the needs of the City service so require, the department head may direct any employee to attend a meeting or conference as part of the vocational training required for the position. In such case, attendance may be mandatory and reasonable compensation for meals, lodging, travel and associated expenses shall be allowed. Travel to and from such training shall be provided by the City or at City expense, however, no overtime will be paid for the time required to travel to and from such meetings, nor the conference or training attendance hours beyond normal working hours.

6. Replacement of Damaged Personal Property

When an employee damages his/her personal property during the normal performance of his/her duties, the employee may submit a claim for reimbursement with the City. The City shall investigate such claims and may reimburse the employee for all or part of the damaged personal property. The City shall respond to the employee within thirty (30) days after submission of the claim. The final decision to reimburse an employee for damaged personal property shall rest with the City.

## ARTICLE XI

## EMPLOYEE DISCIPLINE

1. Employee Discipline

A. Policy:

It is the policy of the City that discipline of City employees is imposed on an appropriate and consistent basis. When an employee engages in misconduct or when job performance is unsatisfactory in the judgment of the City, disciplinary action may be initiated.

B. Definitions:

As used herein, "disciplinary action" means written reprimand, suspension without

pay, reduction in salary, demotion, dismissal or transfer for purposes of punishment.

As used herein, "corrective action" means counseling memorandum, letter of instruction or similar action shall not be considered disciplinary action.

C. Persons Authorized to Initiate Disciplinary Action:

Discipline may be initiated by those authorized in the City Personnel Rules.

D. Employment Status and Application of Appeal Procedure:

1) Permanent Status: This article shall only apply to employees with permanent status with the City.

2) Probationary Status: An employee in probationary status shall have no right to grieve, arbitrate or appeal release from probationary appointment.

3) Temporary Employee: An employee in a temporary position shall have no right to grieve, arbitrate or appeal release from temporary appointment.

4) Temporary Upgrade (Out of Class): An employee in a temporary upgrade status shall have no right to grieve, arbitrate or appeal release from temporary upgrade status.

E. Cause for Disciplinary Action:

1) Discipline shall be for cause. Examples of conduct or performance deficiencies that may warrant discipline include, but are not limited to (more examples can be found in the City Personnel Rules):

a. Misstatement of facts during the hiring process

b. Falsification of an entry on a City document (e.g., timecard, expense report)

c. Disclosure of confidential information

d. Insubordination or willful disobedience

e. Incompetence, inefficiency or unsatisfactory job performance

f. Discriminatory, discourteous, or unbecoming behavior

g. Theft, misuse or unauthorized use or possession of City property

h. Dishonesty

i. Misconduct, i.e., any behavior that brings harm or discredit to the City

j. Being under the influence of illegal drugs, alcohol, or possessing illegal drugs while on City property or on official business. This subsection shall not apply to an off-duty individual engaged in otherwise legal activities at a City facility (park, walkway, or similar

City owned facility)

k. Conviction of a felony or misdemeanor that involves moral turpitude, or any other conviction or pleas of nolo contendere (no contest) or diversion for such offense, which adversely affects, or brings discredit to, the City

l. Excessive absence or tardiness

m. Absence without approved leave

n. Violation of a City rule, policy, or procedure

o. Soliciting outside work for personal gain during the conduct of City business; engaging in outside employment for any business under contract by the City; participating in any outside employment that adversely affects the employee's City work performance; and engaging in unauthorized outside employment

p. Loss or failure to maintain any license, certification, and/or clearance which is required as a minimum qualification or condition of employment for the employee's position.

F. Investigation and Interrogation Rights:

Employees under investigation or subject to interrogation shall be afforded the following rights:

1) Interrogation must occur at a reasonable hour on duty and if conducted off-duty, the employee must be compensated for that time in accordance with adopted City policy and cannot be punished for missing work due to the interrogation;

2) Prior notification of name, rank and command of the person in charge of the interrogation and the nature of the investigation must be given;

3) Interrogation must be for a reasonable time period with reasonable breaks to attend to any physical needs and must be void of offensive language or threats of punitive action or promise of reward in exchange for information;

4) Statements made under duress, coercion, or threat of punitive action are prohibited from being admissible in a subsequent judicial proceeding, subject to certain exceptions under Government Code Section 3253(f);

5) Interrogations may be recorded and employees must be provided access to the recording, if any further proceedings are contemplated or prior to any further interrogation at a subsequent time. The employee is entitled to a transcribed copy of the notes made by a stenographer or any reports or complaints made, except those required by law to be kept confidential. Confidential notes cannot be entered into the firefighter’s personnel file;

6) The employee shall be informed of his/her constitutional rights if it becomes apparent that he/she may be charged with a criminal offense;

7) Upon the filing of a formal written statement or charges, or whenever an interrogation focuses on matters that may result in punitive action against any employee, that employee has the right, at his or her request, to have a representative of his or her choice present during the interrogation at all times, except that the representative shall not be a person subject to the same investigation.

G. Corrective Action:

1) If the City decides to administer, a Letter of Instruction shall include a Behavior Modification Plan with actions and timelines designed to assist the employee in meeting the intent of the City's Rules and Regulations, Fire Department Policies and Procedures, as well as the provisions contained within this MOU.

2) A corrective action may not be appealed beyond the Fire Chief,

H. Preliminary Notice of Disciplinary Action:

1) If the City intends to impose discipline, the employee shall be notified in writing the decision to impose discipline within thirty (30) calendar days of its preliminary decision.

2) A copy of the preliminary notice of disciplinary action shall be served upon the employee either personally, by email, or by first class mail and certified mail, return receipt requested, to the last known address of the employee. The last known address shall be deemed to be the address that is within the employee's official personnel file. If notice is provided by mail only, the employee should be deemed to have received notice five (5) calendar days after the date of mailing.

3) The Preliminary Notice shall include:

a. A statement of the nature of the disciplinary action;

b. A statement of the reasons for the disciplinary action citing the item(s) under Section E of this Article, department orders, or the Personnel Rules, which have been violated;

c. Any supporting material or documentation;

d. A statement advising the employee of the right to appeal the action, the manner and time of which the appeal must be made, and the required content of the appeal; and

e. The name and address of the person to whom all written communication regarding this appeal shall be sent.

I. Skelly Meeting:

1) An employee who is subject to disciplinary action shall have the right, within seven (7) calendar days after receiving a Preliminary Notice of Disciplinary Action to request a Skelly Meeting by filing a written request for a meeting signed by the employee or the employee's representative with the employee's consent with the City Human Resources Director.

2) Failure to respond or inaction within the specified time will result in the waiver of the right to a Skelly meeting and the proposed discipline becoming final.

3) Upon a written request for a Skelly meeting, the City shall appoint a "Skelly Officer". The Skelly Officer will meet with the employee, listen to arguments and receive documents presented by the employee. The Skelly Officer shall prepare a written response within a reasonable time and provide it to Human Resources. The Skelly Officer may dismiss, modify, or sustain the proposed discipline.

4) If the proposed discipline is sustained or modified by the Skelly Officer, the disciplinary action shall be implemented. A Final Notice of Disciplinary Action shall be served in the same manner as the Preliminary Notice of Disciplinary Action and shall include the Skelly Officer's findings. Employees may not appeal a Written Reprimand beyond Skelly hearing.

J. Arbitration Hearing Process:

1) Within fifteen (15) calendar days after receipt of the Final Notice of Disciplinary Action, the employee may appeal to arbitration. Notice of the appeal must be filed with the Human Resources Director. If the employee fails to file a notice of appeal within this time period, the disciplinary action shall become final and there shall be no further appeal.

2) Appeals of disciplinary actions to arbitration shall be pursuant to Government Code Section 3254.5.

3) The appeal of a disciplinary action of a permanent employee will determine whether there is cause for the disciplinary action taken against the employee.

4) The parties to the disciplinary appeal shall mutually select an arbitrator. The parties to the disciplinary appeal shall be: the City and the employee. The employee may be represented by the SAFF Local 522, self-represented, or independent counsel.

5) The employee shall be entitled to appear personally at the hearing and produce evidence.

6) The fees and expenses of the arbitrator, a court reporter and transcript if required by the arbitrator, shall be shared equally by the parties.

7) The decision of the arbitrator shall be final and binding on the parties. No appeal or review of the arbitrator's decision by Writ or other mechanism before any court, administrative tribunal or any other forum on any legal theory or basis shall be possible.

2. Performance Evaluations

A. Performance evaluations which result in the denial of an employee's step increase may be grieved up to and including binding arbitration in accordance with Article XII, Grievance Procedure.

B. The City agrees to meet with the SAFF, Local 522 in order to review and propose changes to existing employee evaluation system.

3. Personnel Files

The City and the SAFF, Local 522 agree that there is only one official personnel file for each employee. The employee's official personnel file is private and confidential, subject only to review by the employee, the employee's representative with written authorization, or authorized City representatives.

The City shall allow every employee the opportunity to review their personnel file at any reasonable time upon request, and to obtain a copy of any needed document in the file. The official personnel file shall remain under the control of the City and shall be the only personnel file admissible as evidence in any disciplinary matter. There shall be no documents placed in the official personnel file without the employee's knowledge. If, upon examination of the personnel file, the employee discovers any documents placed there without the employee's knowledge, the City shall, upon written request of the employee, investigate the allegation and remove any such document placed there in violation of this Section.

The City and the SAFF, Local 522 recognize the Department's use of a "rotating employee file" (REF) for the preceding twelve (12) months, for the purposes of employee performance evaluations, and that the file may be included with the City's official personnel file and incorporated into the employee performance review process and/or other related employee matters.

4. Purging Personnel Files

Counseling memorandums are not disciplinary and shall not be placed in the employee's personnel file. Employees shall be offered the opportunity to sign and be provided with a copy of any disciplinary written material before it is placed in the employee's personnel file. The employee shall be given an opportunity during regularly scheduled working hours to prepare a written response to such materials. The written response must be submitted within fifteen (15) days of the notice to place the disciplinary documents in the personnel file.

If the employee was not allowed the opportunity to sign the documents prior to placement within the personnel file, the employee shall have the right at any time to attach a written response to the material. Any person who places any written material in an employee's file

shall sign and date the material, signifying when it was placed in the employee's file and by whom.

Disciplinary actions and corrective action shall be purged (at the request of the employee) from the employee's personnel file following the schedule below in accordance with the City's records retention policy:

Written reprimands: Eighteen (18) months

Other disciplinary actions (i.e., suspensions, reductions in pay, and demotions: Five (5) years

## ARTICLE XII

## GRIEVANCE PROCEDURE

1. Grievance Procedure

A. Definition. The term "Grievance" as used in this Agreement is limited to a complaint or request of an employee, group of employees, or the SAFF, Local 522 which involves the interpretation or application of, or compliance with the provisions of this Agreement, City Rules or Regulations, or directives of the Fire Department including, but not limited to, the imposition of discipline.

B. Time Limits. Grievances not presented within the time limits established for each step of this procedure shall not be considered. Should the City fail to answer within the established time limits, the grievance may be processed to the next level and the failure to answer shall be given the appropriate weight by the arbitrator.

When days are used in this article for the purpose of establishing time limits, those limits will be presumed to have been met when the appropriate forms are either personally delivered to the affected party or deposited in the U.S. mail, as evidenced by the appropriate postmark.

Time limits may be waived by mutual agreement between the parties. As referred to in this article, all "days" are "calendar days."

C. Presentation. An employee and/or a SAFF, Local 522 representative may present a grievance while on duty, provided such presentations and discussions do not disrupt City operations and are kept to a reasonable minimum.

D. Procedure. All grievances as defined herein shall be processed in accordance with this procedure. All grievances, beginning at Step 2 shall be filed on forms provided by the City for that purpose. The SAFF, Local 522 may refuse to represent a grievant and the City may refuse to consider a grievance in those circumstances where the aggrieved party has not followed this procedure.

1) STEP 1. Within fifteen (15) days of the act(s) and/or omission(s) giving rise to the grievance or within fifteen (15) days of the time the employee of the SAFF, Local 522 should reasonably have been aware of said act(s) and/or omission(s), the grievance shall be discussed informally with the

person or persons most directly responsible for the circumstances which gave rise to the grievance. If the grievance is not resolved within fifteen (15) days of the date on which it is first presented at Step 1, the grievant may proceed to Step 2.

2) STEP 2. Within fifteen (15) days of receipt of the Step 1 answer, or if no answer is given, within thirty (30) days of the Step 1 meeting, the grievant, if still dissatisfied, shall file with the Fire Chief, a formal written grievance. Within fifteen (15) days of the receipt of the formal grievance the Fire Chief or designee shall meet with the grievant to discuss the matter. The Fire Chief or designee shall respond to the grievant, in writing, within fifteen (15) days of the Step 2 meeting. The Step 2 response shall include the position of the Fire Department and the reasons therefore, as related to the grievance.

3) STEP 3. Within fifteen (15) days of the Step 2 response or, if no Step 2 response is received, within thirty (30) days of the Step 2 meeting, the grievance may be presented in writing to the City's Employee Relations Officer. The Employee Relations Officer shall conduct such investigation as is deemed appropriate and shall issue a written determination within thirty (30) days of the date on which the grievance is first presented at Step 3. If the Employee Relations Officer fails to issue a written determination within the prescribed period of time or if the determination is not satisfactory to the grievant, the grievant may request that the matter be submitted to binding arbitration. Matters of grievance which are not disciplinary in nature shall only be submitted to Step 4 by the SAFF, Local 522. Employees may, if they so desire, individually submit matters of discipline to arbitration subject to the employee paying one half the costs as defined in Step 4.

4) STEP 4. A request for binding arbitration shall be made in writing to the Employee Relations Officer within fifteen (15) days of the date which the grievant received a copy of the written determination of Step 3, or in the event that no Step 3 answer is received, within forty-five (45) days of the date of the Step 3 meeting.

An arbitrator may be selected by mutual agreement between the parties. However, should the parties fail to voluntarily agree upon an arbitrator, the parties shall make a joint request to the American Arbitration Association or the Mediation and Conciliation Service of the State of California. The parties shall request a list of five (5) qualified arbitrators. Each party shall alternately strike one name from the list and the last remaining name shall serve as arbitrator. The first party to strike a name shall be determined by the toss of a coin.

The arbitrator's decision shall be final and binding on the City, SAFF, Local 522, and the grievant. The arbitrator shall have no authority to add to or delete from the terms of this Agreement, City rules or regulations, or directives of the Fire

Department. All fees and costs of the arbitrator and court reporter, if any, shall be borne equally by the parties. In matters of discipline which have not been submitted to arbitration by the SAFF, Local 522, all costs will be split between the parties to the arbitration and shall not include the SAFF, Local 522.

## ARTICLE XIII

## MISCELLANEOUS

1. Fitness for Duty

The City may require an employee to submit to a medical examination by a physician, designated by the City, to evaluate the capacity of the employee to perform the work of the employee's position. The decision to require an employee to submit to such medical examination shall be based upon reasonable cause to believe, by the employee's department head, or designee, that the employee is unable to perform the work of the employee's position. The examination cost shall be paid by the City.

The physician shall make a written report to the City and the employee. Information provided by the City's physician shall be kept confidential by the City and shall contain no medical report except to note whether the employee is fit to work. After consideration of the report and other pertinent information, if the City concludes that the employee is unable to perform the work of their present position, the City may demote or transfer an employee to an appropriate position, including one of less than full time. If it is concluded that the employee is unable to perform the duties of his/her position and the employee cannot be demoted or transferred to another position, the employee's employment may be terminated. An employee who is terminated because of medical inability to perform the duties of their position shall be placed on paid administrative leave until the date of separation.

An employee evaluated pursuant to this section, who is in disagreement with the findings of the City's physician may elect, at the employee's cost, to have an examination by a physician of the employee's choosing. If the employee's physician finds the employee fit to perform their job duties the employee shall have the right to submit the matter to binding arbitration in accordance with Article XII, Grievance Procedure, of this Agreement.

This section shall not supersede any rights and/or remedies the parties may have pursuant to the California Workers Compensation system and Labor Code.

2. Fitness Evaluation (Wellness)

The City and the SAFF, Local 522 agree to work cooperatively during the term of this MOU to implement and maintain a long-term Wellness-Fitness Program for all uniformed personnel. The Wellness-Fitness Program shall be generally consistent with the guidelines recommended by the third edition of the Fire Service Joint Labor-Management Wellness-Fitness Initiative, and as approved by the Fire Chief.

The City and the SAFF, Local 522 agree to support a comprehensive, mandatory annual medical examination for all uniformed employees represented by the SAFF, Local 522, as a component of the Wellness-Fitness Program. The medical examination shall be generally consistent with the guidelines recommended by the third edition of the Fire Service Joint

Labor-Management Wellness-Fitness Initiative, and as approved by the Fire Chief.

3. Modified Duty Assignments

The City and the SAFF, Local 522 agree to jointly develop and implement a modified duty assignment program for the department. The intent of this program is to develop policies and procedures to be used by the department that would identify the appropriate temporary assignment for employees who are injured or ill that limit their ability to serve in their normal assignment. Changes shall be subject to Article I, Section 4, Meeting and Conferring During the Term of the MOU, of this MOU.

4. Job Classification

A. The City recognizes that the SAFF, Local 522 has a vital interest in the content of the job specifications, including minimum qualifications for classifications represented by the SAFF, Local 522.

B. The City and the SAFF, Local 522 agree that changes to job specifications, minimum qualifications, scheduling and similar areas of concern related to classifications represented by the SAFF, Local 522 shall be subject to meet and confer and that all changes recommended by that group shall be subject to Article I, Section 4, Meeting and Conferring During the Term of the MOU, of this MOU.

C. The City agrees to notify the SAFF, Local 522 anytime the City proposes to recruit and examine for, or to modify, job classifications represented the SAFF, Local 522. The City agrees to meet and confer with the SAFF, Local 522 over such proposed changes if the SAFF, Local 522 so requests.

D. On its own initiative, the SAFF, Local 522 may at any time notify the City Human Resources Director that the SAFF, Local 522 requests to meet and confer with the City over the SAFF, Local 522 proposed modifications to the recruitment and examination procedure, and/or job specifications for ~~fire~~ job-classifications represented by the SAFF, Local 522. The City shall schedule a meet and confer session in response to such request.

E. Nothing in this provision shall be construed as to require the City to divulge information or change procedures that in any way would compromise the integrity of the City's merit system.

5. Paycheck Distribution

The City agrees to submit paychecks to employees in the Fire Department no later than 0830 hours each payday, for the off-going shift.

If it becomes feasible during the term of this MOU, this provision will be applied to all employees.

The parties recognize that patience and tolerance will be exercised in the execution of this provision. Any discrepancies will be rectified within a reasonable period of time. Reasonable period of time is defined to mean two (2) normal working days.

6. Labor/Management Team

A. The City and the SAFF, Local 522, agree to establish a joint labor-management team to meet and confer on matters raised by either party.

B. The Labor-Management team will determine the frequency of meetings and the number of representatives in attendance from the bargaining group.

7. Department Bulletins

Department Bulletins will be given an expiration date at the time they are published.

9. Program Technician

The Program Technician plan used by the Department shall be voluntary in nature and shall not require participation by employees. Employees who volunteer, except as noted in Subsection 10 of this article, shall not be negatively affected in their annual evaluation for performance as a Program Technician. The employee may be removed from the program if the City sees fit either due to lack of need for the program or other reason as set forth by the City.

10. Program Incentive Pay

A. Employees designated by the Fire Chief to perform Program Technician tasks associated with one of the following program areas shall receive a one hundred dollars ($100) per month incentive pay allowance:

1) ACLS Instructor (1 Person per Shift)
2) HANDTEVY Instructor (1 Person per Shift)
3) CPR Instructor (1 Person per Shift)

Any of the above (Section A) Program Technician positions require a minimum of a two (2) year up to four (4) year time commitment. Members may re-apply for the applicable program technician position upon the conclusion of the required time commitment.

B. Members receiving incentive pay allowance, shall be limited to a maximum allowance of three hundred dollars ($300) per month per employee.

Employees shall maintain the necessary training and certification standards established by the Department in Section A, to continue to receive this pay allowance. All employees receiving program incentive pay shall have their performance in the program included as part of the employees City performance evaluation. Performance that falls below “meets expectations” may subject the employee to removal from the program and loss of incentive pay as determined by the Fire Chief.

11. Probationary Period, Seniority, and Layoffs

A. To provide means by which employees are to be laid off in the event a reduction in work force occurs.

B. When determining “Seniority” or “Time in Grade” the following criteria shall be used:

1) Seniority is defined as regular full-time City employment in the fire EMS Unit department regardless of classification.

2) If two or more people are hired on the same date, the seniority ranking will be in accordance with the employee's ranking at the conclusion of the EMS Orientation Academy.

3) Time in grade shall be the method used to determine seniority by Classification. If two or more employees in the same classification have the same promotion dates, the employee's position on the eligibility list for the employee's job classification will determine seniority-in that classification.

4) Military leave of absence shall not be deducted from time in grade or from total time in the fire department.

5) The probationary period for new hires may be extended for any leave time in excess of 240 hours (cumulative) within the probationary period. The extension specific to this section will be equal to the leave time used in excess of 240 hours.

6) Probationary period extensions for performance-based issues shall be reflected in "Seniority" calculations for new hires.

7) The probationary period may be extended for prolonged absences, with the exception of military leave and/or a workplace injury, during the probationary period. The extension specific to this section will be equal to the leave time used in excess of 240 hours.

C. Layoff or Non-Disciplinary Demotions.

1) Layoffs and/or reductions, shall be by the least senior employee in regular full time City employment in accordance with the Personnel Rules, Section 2.04.030E.

D. Reemployment and Seniority:

1) When an employee is laid off and is reemployed within two (2) years of said employee's termination date, the employee shall receive the benefits as described in the Personnel Rules, Section 2.04.030J upon return to service.

2) When the period of absence exceeds two (2) years, no benefits are retained and the employee is treated as a new employee for all purposes, unless they are vested by a third party (e.g. PERS credit).

3) When an employee resigns from the department and then wishes to return, they may do so through the application and testing process when a vacancy occurs. Seniority shall be based on section B above.

E. The City shall give the SAFF Local 522 Unit Representative 30 days' notice prior to the effective date of any layoff or a non-disciplinary demotion along with a seniority list with all the member's names, their hire date, and their time in grade.

13. Lateral Hires

Any decision to hire above the entry-level salary step (Step 1) will be based on the Fire Chief's final recommendation with the concurrence of the City Manager. Such recommendation shall be based on the Fire Chief's evaluation of the candidate's background and experience.

14. Personnel Rules

The City agrees to notify the SAFF, Local 522 of proposed changes to City personnel rules, and to meet and confer in good faith over the impact of such changes prior to implementation.

15. Staffing

The purpose of this Article is to provide an agreed upon staffing level which supports safety and adequate personnel for workload distribution.

The City maintains the right to assign work and schedule employees in accordance with requirements as determined by the City. In the regular course of operations circumstances such as cross-staffing apparatus, participating in special training assignments, provisions to assist employees found in Article VIII, Section 8, Emergency Leave and other needs of the City will cause the need to deviate from this staffing level. With this understanding, the City agrees that it shall maintain, on a daily basis, minimum apparatus staffing level as follows:

(A) In-service Single Role ALS Medic – two (2) fire EMS personnel; one of which must be a paramedic; or the equivalent thereof.

(B) In Service Single Role BLS Ambulance: two (2) fire EMS personnel; both of which are EMT's; or the equivalent thereof.

(C) Employees in the classifications of Firefighter, Fire Engineer, and Fire Captain may voluntarily fill daily overtime vacancies on Single Role Units to prevent force hires of Fire-EMS personnel - applicable Suppression MOU, Article V – Overtime rates shall apply.

(D) Employees in the classification of Firefighter may be assigned involuntarily to fill daily overtime vacancies on Single Role Units, when Fire-EMS personnel are unavailable - applicable Suppression MOU, Article V – Overtime rates shall apply.

(E) Employees in the classification of Firefighter may be temporarily assigned to fill short-term vacancies on Single Role Units when the following conditions are met:

(1) Employees have been assigned to the Relief | Detail Pool

(2) All suppression vacancies have been filled

(3) Efforts to fill the vacancy, voluntarily, with Fire-EMS personnel have been exhausted

16. Bilingual Pay

1. The Fire Chief may designate up to (2) employees per shift, if at least two employees on the shift qualify, to receive a $100 per month Bilingual Pay differential. Such assignment shall be in writing and must be renewed on an annual basis.

2. To be eligible for Bilingual Pay, an employee must (1) speak a foreign language as identified by the City; (2) agree to utilize his/her bilingual ability on the job; (3) demonstrate bilingual proficiency satisfactory to the Director of Human Resources; and (4) agree to maintain the necessary training and certification standards established by the City to continue to receive bilingual pay.

3. All employees receiving bilingual pay shall have their bilingual performance included as part of the employee's City performance evaluation. Performance that falls below "meets expectations" may subject the employee to loss of bilingual pay.

## Article XIV

### Meet and Confer Regarding Implementation of the Single Role Classifications

A. Purpose. The parties acknowledge that the execution and implementation of this Memorandum of Understanding ("MOU"), may give rise to issues that the Parties did not and could not reasonably anticipate at the time of negotiation. To resolve any such issues in good faith, the Parties agree to the following.

B. Agreement to Meet and Confer. Upon the written request of either Party, the Parties shall meet and confer in good faith regarding any unanticipated issue that directly results from the implementation of the Single Role Classifications or the execution of this MOU. The request shall describe the issue with reasonable specificity and identify the affected article(s) and section(s). The Parties shall commence meeting within [thirty (30)] calendar days of the request unless they mutually agree in writing to a different timeframe.

C. Articles and Sections Subject to This Provision. The Parties recognize that the following articles and sections are those most likely give rise to issues that the Parties did not and could not reasonably anticipate at the time of negotiation and are expressly subject to this meet-and-confer provision. If a conflict is found to exist between Article 1, Section 4 and that found in Article XIV, Section C, the language in Article XIV, Section C will control.

Article [V], Section 1 - Overtime
Article [VI], Section 5 – Shift Bids
Article [VIII], Section 3 – Vacation Bidding,
Article [VIII], Section 4 – Trades
Article [XIII], Section 2 – Fitness Evaluations
Article [XIII], Section 15 - Staffing

D. Scope and Limitations. This provision is limited to issues arising from the implementation of the Single Classification and the execution of this MOU. It is not a general reopener, and neither Party may invoke it to renegotiate terms unrelated to the Single Classification. Except as expressly modified by mutual written agreement under this provision, all terms of this MOU remain in full force and effect for its full term.

E. Resulting Agreements and Authority. Any agreement reached under this provision shall be reduced to writing as a side letter or amendment, signed by authorized representatives of both Parties for approval or ratification before taking effect. Nothing in this provision waives or diminishes either Party's rights or obligations under the Meyers-Milias-Brown Act (Cal. Gov. Code § 3500 et seq.) or other applicable law.

F. Non-Waiver. The obligation to meet and confer under this provision does not require either Party to agree to any proposal or make any concession, and the failure to reach agreement shall not, by itself, constitute a breach of this MOU. Any impasse procedures otherwise available to the Parties remain applicable.

# ARTICLE XV

## SIGNATURE CLAUSE

1. Signature Clause

This agreement shall remain in full force and effect from August 11, 2026, through June 30, 2028. The parties agree to begin negotiations on a successor Memorandum of Understanding no later than 120 calendar days prior to expiration of this Memorandum of Understanding.

**City of Folsom**

_____

Bryan Whitemyer
City Manager

_____

Allison Garcia
Human Resources Director

_____

Jason Solak
Fire Chief

_____

Vance Piggott
City Representative

_____

Doris Valencia
Senior Human Resources Analyst

**Sacramento Area Firefighters, Local 522, IAFF**

_____

Trevor Jamison
President, Local 522

_____

Larry Menth
Representative for SAFF, Local 522

_____

Daniel Carson
SAFF, Local 522 Representative

_____

Robert Byrne
SAFF, Local 522 Representative

_____

Brent Cramer
SAFF, Local 522 Representative

_____

Tyler Smith
SAFF, Local 522 Representative

_____

Roy Griffith
SAFF, Local 522 Representative

**Appendix A**

## Salary Schedule – EMT | Paramedic

| Step | Base Hourly Rate | Base Monthly Total | Base Annual Total |
|---|---|---|---|
| **EMT (Hourly Range $22–$29.48)** | | | |
| 1 | $22.00 | $3,813.33 | $45,760.00 |
| 2 | $23.10 | $4,004.00 | $48,048.00 |
| 3 | $24.26 | $4,205.07 | $50,460.80 |
| 4 | $25.47 | $4,414.80 | $52,977.60 |
| 5 | $26.74 | $4,634.93 | $55,619.20 |
| 6 | $28.08 | $4,867.20 | $58,406.40 |
| 7 | $29.48 | $5,109.87 | $61,318.40 |
| **Paramedic (Hourly Range $26 - $34.85)** | | | |
| 1 | $26.00 | $4,506.67 | $54,080.00 |
| 2 | $27.30 | $4,732.00 | $56,784.00 |
| 3 | $28.67 | $4,969.47 | $59,633.60 |
| 4 | $30.10 | $5,217.33 | $62,608.00 |
| 5 | $31.61 | $5,479.07 | $65,748.80 |
| 6 | $33.19 | $5,752.93 | $69,035.20 |
| 7 | $34.85 | $6,040.67 | $72,488.00 |

| | |
|---|---|
| **Notes:** | Base monthly/annual salary is based off 40 hours a week (2080 hours a year) and does not include mandatory scheduled overtime compensation or the 6% Holiday Pay differential) |

Attachment 3
Class Specifications, Emergency Medical Technician and Paramedic

**Folsom Fire Department**
**Fire-EMS | Emergency Medical Technician (EMT)**
**BASE SALARY: $45,760 - $61,318.40**
(Non-inclusive of Scheduled Overtime & Holiday Pay)

## DEFINITION:

As a member of the Folsom Fire Department Emergency Medical Services (EMS) Division and under direction of assigned Fire Captain, responds to a variety of emergency and non-emergency calls for service and provides medical responses including Basic Life Support (BLS), medical transport, and performs other related activities in the community as required. Provides basic medical care and ambulance transport services to hospitals or other emergency care facilities; participates in community risk reduction and public education activities.

## DISTINGUISHING CHARACTERISTICS:

The non-firefighter position of Folsom Fire Emergency Medical Technician (EMT) is a journey-level classification. The Folsom Fire Department EMT may receive direction from the respective company officers in the Fire Suppression Division and/or officers when in the field. Incumbents are expected to perform the full range of EMT emergency medical assistance duties. The classification is distinguished from Firefighter in that the latter combats, extinguishes and prevents fires. This classification is distinguished from the Folsom Fire Paramedic in that the latter performs the Advanced Life Support duties.

## SUPERVISION RECEIVED AND EXERCISED:

General supervision is provided by assigned Fire Captain and/or other fire officers within the Department Chain of Command structure.

## ESSENTIAL DUTIES AND RESPONSIBILITIES:

Depending upon assignment, duties may include, but are not limited to, the following:

- Respond to BLS and ALS medical responses and provide emergency medical care and transportation; assist paramedic with ALS duties on scene
- Participates in the delivery of emergency and non-emergency medical and health care.
- Provide emergency care in accordance with the provisions of Sacramento County EMS policies and procedures.
- Perform job duties in compliance with department operating procedures and city, county, state and federal laws and ordinances.
- Supports and assists other fire and medical personnel as directed in delivering medical care.

- Operate ambulance to transport patients and staff to/from medical facilities in a safe and timely manner.
- Documents and completes all reports such as pre-hospital patient care reports and incident reports.
- Maintain medical information in a confidential manner subject to the Healthy Insurance Portability and Accountability Act (HIPAA).
- Rescue people from danger and administer medical aid as necessary.
- Perform routine housekeeping duties at a fire station, such as mowing grass, making beds, cleaning walls, washing windows, and sweeping floors.
- Promote fire safety, burn prevention and other public education among public contacts.
- Perform support functions such as restocking and inventory maintenance of supplies and equipment, cleaning equipment, and transporting equipment.
- Perform decontamination procedures in compliance with Cal OSHA regulations.
- Perform related duties as assigned.

**QUALIFICATIONS:**

Knowledge of:

- Modern principles, practices, and procedures of emergency medical care/emergency medical services.
- Principles of emergency ambulance and transportation procedures including first aid, resuscitator, and gurney operations.
- Medical terminology and documentation.
- Functions, characteristics, and proper use and maintenance of medical equipment and supplies.
- Current laws and regulations pertaining to emergency medical services and safety.
- City geography.
- Operation of EMS vehicles and other equipment.
- Safe emergency work practices
- Essential Incident Command System (ICS) principles
- Medical resources

Ability to:

- Make critical decisions that impact the safety, well-being, or life of patients in stressful and chaotic situations.
- Make accurate observations and exercise independent judgment in determining appropriate actions to take during emergency response activities and performing program area activities or duties as assigned.
- Deal tactfully and effectively with the public; demonstrate an awareness and appreciation of the cultural diversity of the community.

- Safely and properly transport patients during ambulance transport.
- Understand and learn emergency medical information from oral and written sources.
- Complete electronic documentation for each patient encounter in a complete, competent, and timely manner; expected to protect the privacy of all patient information in accordance with department privacy policies, procedures, and practices as required by federal and state law, and in accordance with general principles of professionalism as a healthcare provider.
- Report, without fear of retaliation, any concerns regarding policies and procedures on patient privacy and any observed practices in violation of those policies through the chain of command.
- Understand and apply mechanical diagrams and concepts.
- Read electronic and incident maps; follow map directions.
- Establish and maintain effective working relationships with those contacted in the course of work; contribute to successful team efforts; promote the department's mission, vision, and value statements.
- Communicate clearly and concisely with others, both verbally and in writing.
- Operate a vehicle safely and legally.
- Operate radio and other communication equipment.

**Education and Experience:**

High school diploma or G.E.D. equivalent

**No Experience required; but desirable.**

**SPECIAL QUALIFICATIONS:**

Possession of a valid California or National Registry EMT Certification (EMT-B) by time of application.

Possession of valid CPR certificate by time of application.

Must obtain and maintain local accreditation through the Sacramento County Emergency Medical Services Agency (SCEMSA) within three months of appointment.

Must be at least 18 years of age at the time of application.

Possession of a valid California Class C Driver License by time of application.

**Medical Examination | Background | Drug Test:**

If considered for appointment, candidates must pass pre-employment medical examination and drug test; a background investigation, which may include a criminal history check, fingerprinting, psychology exam, credit check and drug use history.

Respiratory Protective Equipment:

Work in this classification requires wearing respiratory protective equipment at times. When assigned to such work, facial hair must be shaven when it interferes with the safe fitting of respiratory protective equipment.

**Working Conditions:**

In the performance of job duties, the employee will work inside and outside during day and/or night conditions, congested traffic, and unsafe road conditions. Employees may work near moving mechanical parts and in high, precarious places. Employee may be exposed to adverse environmental conditions such as wet and/or humid conditions; icy or muddy areas; fumes or airborne particles; toxic or caustic chemicals, vibration; risk of electrocution; and extreme heat or cold. Exposed to grotesque sights and smells associated with major trauma and burn victims.

The noise level in the work environment is usually moderate, except during certain, occasional, EMS activities when noise levels may be loud.

Health Exposure:

Tasks involve exposure to blood, body fluids, or tissues in accordance with the Department of Industrial Relations Title 8, § 5193. Bloodborne Pathogens.

Physical Demands:

Work for long periods of time, requiring sustained physical activities and intense concentration under stressful conditions; in the performance of job duties, the employee is required to lift, drag, carry, and/or move 100 pounds or more; sit, stand, walk, balance, stoop, kneel, crouch, climb, or crawl; talk and hear; use hands and fingers; handle or operate objects, controls, or tools; reach with hands and arms; and smell. Specific vision abilities required by this job include close, distance, color, and peripheral vision, depth perception, and the ability to adjust focus.

Manual dexterity and coordination are required to perform the work. This is used while operating equipment such as computer keyboards and telephones.

Incumbents may be required to work outdoors in all weather conditions; around loud siren noise; and moving vehicles. This position's responsibilities will work around fires, chemicals, pesticides, blood, and other potentially toxic exposures. Incumbents may be subject to stressful situations and work unusual and prolonged hours during emergencies, including multi-week mutual aid assignments.

**Probationary Period:**

Employees must successfully complete an orientation academy and complete twelve (12) months of probation at a satisfactory performance level prior to gaining permanent status.

**Folsom Fire Department**
**Fire-EMS | Paramedic**
**BASE SALARY: $54,080 - $72,488**
(Non-inclusive of Scheduled Overtime & Holiday Pay)

## DEFINITION:

As a member of the Folsom Fire Department Emergency Medical Services (EMS) Division and under direction of assigned Fire Captain, responds to a variety of emergency and non-emergency calls for service and provides medical responses including Basic Life Support (BLS), Advance Life Support (ALS), medical transport, and performs other related activities in the community as required. Provides basic and advanced medical care; ambulance transport services to hospitals or other emergency care facilities; participates in community risk reduction and public education activities.

## DISTINGUISHING CHARACTERISTICS:

The non-firefighter position of Folsom Fire Paramedic is an advanced journey-level classification. The Folsom Fire Paramedic may receive direction from the respective company officers in the Fire Suppression Division and/or other officers when in the field. Incumbents are expected to perform the full range of Paramedic emergency medical assistance duties. The classification is distinguished from Firefighter in that the latter combats, extinguishes, and prevents fires. This classification is distinguished from the Folsom Fire Emergency Medical Technician (EMT) in that the latter performs the Basic Life Support duties.

## SUPERVISION RECEIVED AND EXERCISED:

General supervision is provided by assigned Fire Captain and/or other fire officers within the Department Chain of Command structure.

## ESSENTIAL DUTIES AND RESPONSIBILITIES:

Depending upon assignment, duties may include, but are not limited to, the following:

- Respond to BLS and ALS medical responses and provide emergency medical care and transportation.
- Participates in the delivery of emergency and non-emergency medical and health care.
- Provide emergency care in accordance with the provisions of Sacramento County EMS policies and procedures.
- Perform job duties in compliance with department operating procedures and city, county, state and federal laws and ordinances.

- Supports and assists other fire and medical personnel as directed in delivering medical care.
- Operate ambulance to transport patients and staff to/from medical facilities in a safe and timely manner.
- Inspecting and documenting inventory of controlled medications carried on the ambulance.
- Documents and completes all reports such as pre-hospital patient care reports and incident reports.
- Maintain medical information in a confidential manner subject to the Healthy Insurance Portability and Accountability Act (HIPAA).
- Rescue people from danger and administer medical aid as necessary.
- Perform routine housekeeping duties at a fire station, such as mowing grass, making beds, cleaning walls, washing windows, and sweeping floors.
- Promote fire safety, burn prevention and other public education among public contacts.
- Perform support functions such as restocking and inventory maintenance of supplies and equipment, cleaning equipment, and transporting equipment.
- Perform decontamination procedures in compliance with Cal OSHA regulations.
- Perform related duties as assigned.

**QUALIFICATIONS:**

Knowledge of:

- Modern principles, practices, and procedures of emergency medical care/emergency medical services.
- Principles of emergency ambulance and transportation procedures including first aid, resuscitator, and gurney operations.
- Medical terminology and documentation.
- Functions, characteristics, and proper use and maintenance of medical equipment and supplies.
- Current laws and regulations pertaining to emergency medical services and safety.
- Folsom City geography, streets, and buildings
- Operation of EMS vehicles and other equipment, including radios
- Safe emergency work practices
- Essential Incident Command System (ICS) principles
- Medical resources

Ability to:

- Make critical decisions that impact the safety, well-being, or life of patients in stressful and chaotic situations.

- Make accurate observations and exercise independent judgment in determining appropriate actions to take during emergency response activities and performing program area activities or duties as assigned.
- Deal tactfully and effectively with the public; demonstrate an awareness and appreciation of the cultural diversity of the community.
- Safely and properly transport patients during ambulance transport.
- Understand and learn emergency medical information from oral and written sources.
- Complete electronic documentation for each patient encounter in a complete, competent, and timely manner; expected to protect the privacy of all patient information in accordance with department privacy policies, procedures, and practices as required by federal and state law, and in accordance with general principles of professionalism as a healthcare provider.
- Report, without fear of retaliation, any concerns regarding policies and procedures on patient privacy and any observed practices in violation of those policies through the chain of command.
- Understand and apply mechanical diagrams and concepts.
- Read electronic and incident maps; follow map directions.
- Establish and maintain effective working relationships with those contacted in the course of work; contribute to successful team efforts; promote the department's mission, vision, and value statements.
- Communicate clearly and concisely with others, both verbally and in writing.
- Operate a vehicle safely and legally.
- Operate radio and other communication equipment.

**Education and Experience:**

High school diploma or G.E.D. equivalent.

**No Experience required; but previous field experience as an EMT is desirable.**

**SPECIAL QUALIFICATIONS:**

Possession of a valid California or National Registry Paramedic License (EMT-P) by time of application.

Possess and maintain valid Advanced Cardiac Life Support; Pediatric Advanced Life Support and/or HANDTEVY; and CPR certification by time of application.

Must obtain and maintain local accreditation through the Sacramento County Emergency Medical Services Agency (SCEMSA) within three months of appointment.

Must be at least 18 years of age at the time of application.

Possession of a valid California Class C Driver License by time of application.

**Medical Examination | Background | Drug Testing:**

If considered for appointment, candidates must pass pre-employment medical examination and drug test; a background investigation, which may include a criminal history check, fingerprinting, psychology exam, credit check and drug use history.

Respiratory Protective Equipment:

Work in this classification requires wearing respiratory protective equipment at times. When assigned to such work, facial hair must be shaven when it interferes with the safe fitting of respiratory protective equipment.

**Working Conditions:**

In the performance of job duties, the employee will work inside and outside in day and/or night conditions, congested traffic, and unsafe road conditions. Employees may work near moving mechanical parts and in high, precarious places. Employee may be exposed to adverse environmental conditions such as wet and/or humid conditions; icy or muddy areas; fumes or airborne particles; toxic or caustic chemicals, vibration; risk of electrocution; and extreme heat or cold. Exposed to grotesque sights and smells associated with significant trauma and burn victims. The noise level in the work environment is usually moderate, except during certain, occasional, EMS activities when noise levels may be loud.

Health Exposure:

Tasks involve exposure to blood, body fluids, and tissues in accordance with the Department of Industrial Relations Title 8, § 5193. Bloodborne Pathogens

Physical Demands:

Work for long periods of time, requiring sustained physical activities and intense concentration under stressful conditions; in the performance of job duties, the employee is required to lift, drag, carry, and/or move 100 pounds or more; sit, stand, walk, balance, stoop, kneel, crouch, climb, or crawl; talk and hear; use hands and fingers, handle or operate objects, controls, or tools; reach with hands and arms; and smell. Specific vision abilities required by this job include close, distance, color, and peripheral vision, depth perception, and the ability to adjust focus. Manual dexterity and coordination are required to perform the work, including operating equipment such as computer keyboards and telephones. Incumbents may be required to work outdoors in all weather conditions; around loud siren noise; and moving vehicles. This position's responsibilities will work around fires, chemicals, pesticides, blood, and other potentially toxic exposures. Incumbents may be subject to stressful situations and work unusual and prolonged hours during emergencies, including multi-week mutual aid assignments.

**Probationary Period:**

Employees must successfully complete an orientation academy and complete twelve (12) months of probation at a satisfactory performance level prior to gaining permanent status.