# CITY OF RANCHO CORDOVA

## CITY COUNCIL

Monday, October 01, 2018

4:00 PM – Special Meeting
5:30 PM – Regular Meeting

## AGENDA

Linda Budge, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Garrett Gatewood, Council Member

Donald Terry, Council Member

# CITY OF RANCHO CORDOVA

## CITY COUNCIL MEETING

**City Hall**
**2729 Prospect Park Drive, Rancho Cordova**

**Monday, October 01, 2018**

**4:00 PM – Special Meeting**
**American River Room North**

**5:30 PM – Regular Meeting**
**David B. Roberts Council Chambers**

# AGENDA

## 1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Gatewood, McGarvey, Sander, Terry and Mayor Budge.

## 2. PUBLIC COMMENT

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

## 3. SPECIAL MEETING ITEM

3.1 **Subject:** Discussion and Direction on Various Aspects of Signage Related to Community Events and Way-Finding Signage.
**Recommendation:** Receive report and direct staff on potential code amendments to address community event and way-finding signage.
**Result of Recommended Action:** No formal action is requested of Council at this time. Council insight and/or direction to City staff on various aspects of signage will assist staff with potential code amendments related to noncommercial, digital billboards, and way-finding signage.
**Staff Report:** Darcy Goulart, Planning Manager.

**Advances Goals:** 1, 2, and 6.

## 4. ADJOURNMENT OF SPECIAL MEETING

Mayor Budge will adjourn the special meeting to regular meeting in the David B. Roberts Council Chambers.

## 5. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Gatewood, McGarvey, Sander, Terry and Mayor Budge.

## 6. METRO CABLE TV TELEVISION ANNOUNCEMENT

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

## 7. PLEDGE OF ALLEGIANCE

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

## 8. INVOCATION

Anthony Telford, Anatolia Ward Bishopric Member, from Church of Jesus Christ of Latter-day Saints will give the invocation.

## 9. PRESENTATIONS

9.1 Proclamation Recognizing the Week of October 7-13, 2018 as Code Enforcement Officer Week for the City of Rancho Cordova.

9.2 Proclamation in Support of Manufacturing Awareness and Appreciation Month.

9.3 Vote Center and Ballot Drop off Location for the November 6, 2018 General Election.

## 10. PUBLIC COMMENT

Citizens wishing to address the Council for any matter not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk. For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

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

## 11. COUNCIL REPORTS

## 12. CITY MANAGER'S REPORT

## 13. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

13.1 **Subject:** Adopt Meeting Minutes from September 4, 2018, September 11, 2018, and September 17, 2018 Special and Regular City Council Meetings.
**Recommendation:** Adopt Minutes.

13.2 **Subject:** An Ordinance Levying a Special Tax Within Community Facilities District No. 2018-2 (Community Places and Neighborhood Greens).
**Recommendation:** Waive the second reading and adopt the Ordinance.
**Result of Recommended Action:** Approval of the Ordinance would authorize the levy of a special tax within CFD 2018-2 (Community Places and Neighborhood Greens) at the rate and in accordance with the rate and method of apportionment of special tax as set forth in the Resolution of Formation adopted by the Council.
**Staff Report:** Elizabeth Sparkman, Community Development Director.
**Advances Goals:** 1, 2, and 5.

13.3 **Subject:** Approval of the Annexation Boundary Map for the European Parts Depot Project and Annexation to the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution approves Annexation Boundary Map No. 26 for the European Parts Depot Project and Annexation of the Property to Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance, hereinafter "CFD No. 2008-1"). There is no financial impact to existing residents.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

13.4 **Subject:** A Resolution Declaring the City's Intention to Impose an Annual Stormwater Utility Fee for the Maintenance of Storm Drainage and Flood Protection Systems for the European Parts Depot Project.
**Recommendation:** Adopt the Resolution designating a time and place for hearing protests in connection with the annual Stormwater Utility Fee for the European Parts Depot project.
**Result of Recommended Action:** Action on this item will declare the Council's intention to impose the annual Stormwater Utility Fee for the maintenance of the storm drainage and flood protection system for the European Parts Depot project and sets a public hearing for October 15, 2018 on the matter.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

13.5 **Subject:** A Resolution Declaring the Results of the Mail Ballot Election Relating to the Imposition of the Annual Stormwater Utility Fee on the Douglas 98 Project in the City of Rancho Cordova.
**Recommendation:** Adopt the Resolution declaring the results of the mail ballot election relating to the imposition of the annual Stormwater Utility Fee on the Douglas 98 Project.
**Result of Recommended Action:** Adoption of the Resolution will declare the results of the ballot tabulation in connection with the imposition of the annual Stormwater Utility Fee on the Douglas 98 Project. If majority approval exists, the City Council may impose the annual Stormwater Utility Fee on the Douglas 98 Project pursuant to the Fee

Ordinance. If there is no majority approval, the Stormwater Utility Fee shall not be imposed for the project.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

13.6 **Subject:** Biennial Review and Resolution Updating the Conflict of Interest Code for the City of Rancho Cordova Designated Employees.
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution results in the City's compliance with Fair Political Practices Commission requirements.
**Staff Report:** Stacy Leitner, City Clerk.
**Advances Goal:** 5.

13.7 **Subject:** A Resolution Rejecting All Bids for On-Call Concrete Maintenance Services.
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of this Resolution will reject all bids received for on-call concrete maintenance services.
**Staff Report:** Albert Stricker, Public Works Director and Steve Harriman, Operations and Maintenance Division Manager.
**Advances Goals:** 1, 2 and 5.

13.8 **Subject:** An Ordinance Amending Chapter 17.04 of the Rancho Cordova Municipal Code Relating to the Adoption of State Fire Code with Local Amendments.
**Recommendation:** Introduce and waive the first reading of an Ordinance amending Chapter 17.04 of the Rancho Cordova Municipal Code, and adopting by reference the California F/ire Code, 2016 Edition, with amendments based upon local climatic, geological, and topographical conditions, and to set a Public Hearing on November 5, 2018 at 5:30 p.m.
**Result of Recommended Action:** This action adopts the State Fire Code with local amendments, as deemed appropriate by the Fire Marshall of the Sacramento Metropolitan Fire District, and the City Building & Safety Division, which will make the amended provisions of the State Fire Code specific for the needs of the Rancho Cordova community.
**Staff Report:** Joseph Cuffe, City Building Official.
**Advances Goals:** 2 and 5.

## 14. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

14.1 **Subject:** A Resolution Creating Special Tax Area Zone 24 and an Ordinance Establishing a Special Tax for Transit-Related Services for the European Parts Depot Project.
**Recommendation:** Adopt a Resolution creating special tax area Zone 24; and introduce and waive first reading of an Ordinance, establishing a special tax for transit-related services for the European Parts Depot project.
**Result of Recommended Action:** Adoption of the Resolution and Ordinance will assist the City in meeting the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the European Parts Depot project.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

14.2 **Subject:** Action Items Related to the Formation of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1.
**Recommendation:** Staff recommends that Council adopt the iollowing items:
1. Resolution Forming a Community Facilities District and Levying a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
2. Resolution Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
3. Resolution Calling for a Special Election in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
4. Resolution Declaring Election Results for City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
5. Waive First Reading and Introduce Ordinance Levying a Special Tax within City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
**Result of Recommended Action:** Adoption of these items will complete the formation of City of Rancho Cordova Grantline 208 Community Facilities District 2018-1 (the "CFD") and authorize a landowner vote which, if successfully passed, authorizes the levy of a special tax. The special tax levy associated with this CFD is for the purpose of financing the acquisition and construction of, and the payment of fees for, the public facilities in and for the Community Facilities District. There is no financial impact to existing residents.
**Staff Report:** Michelle Mingay, Sr. Finance Analyst.
**Advances Goal:** 5.

## 15. PUBLIC HEARING ITEMS

## 16. REGULAR CALENDAR ITEMS

16.1 **Subject:** Fiscal Year 2017-18 Preliminary Year-End Financial Report and Budget Amendment.
**Recommendation:** That the City Council receive the Fiscal Year 2017-18 Preliminary Year-End Financial Report and Adopt a Resolution (Attachment 2) amending the Fiscal Year 2017-18 Budget.
**Result of Recommended Action:** The Fiscal Year 2017-18 Preliminary Year-End Financial Report provides the City Council with the City's unaudited financial performance for the most recent fiscal year prior to receiving the audited Comprehensive Annual Financial Report (CAFR) later in the year. It also provides the City Council with the opportunity to authorize the proposed budget amendments for the June 30, 2018 fiscal year. The proposed budget amendment would use General Fund surplus dollars to eliminate the interfund loan between the General Fund and the Local Housing Special Revenue Fund by $1,171,499.
**Staff Report:** Kim Juran-Karageorgiou, Administrative Services Director.
**Advances Goal:** 5.

## 17. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

## 18. ADJOURNMENT

## ADDITIONAL INFORMATION

SPECIAL MEETINGS LISTED BELOW ARE SUBJECT TO CHANGE/CANCELLATION WITHOUT FURTHER NOTICE.

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

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

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

| **CITYWIDE GOALS -** (Adopted March 27, 2012) | |
|---|---|
| 1. | Promote the Positive Image of Rancho Cordova |
| 2. | Ensure a Safe, Inviting and Livable Community |
| 3. | Empower Responsible Citizenship |
| 4. | Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges |
| 5. | Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management |
| 6. | Drive Diverse Economic Opportunities |

| ***UPCOMING MEETINGS*** | |
|---|---|
| Tuesday, October 9 | 5:30 PM Special Meeting/Closed Session for City Manager Evaluation |
| Monday, October 15 | 5:30 PM Regular Meeting |
| Tuesday, October 23 | 5:30 PM Special Meeting/Closed Session for City Manager Evaluation – CANCELLED |
| Tuesday, October 30 | CANCEL WORK SESSION |
| Monday, November 5 | 4:00 PM Special Meeting/Study Session<br>5:30 PM Regular Meeting |
| Monday, November 19 | 5:30 PM Regular Meeting |
| Tuesday, November 27 | 5:30 PM Special Meeting/Work Session |
| Monday, December 3 | 4:00 PM Special Meeting/Study Session<br>5:30 PM Regular Meeting |
| Tuesday, December 11 | 5:30 PM Special Meeting/Work Session |
| Monday, December 17 | 5:30 PM Regular Meeting |

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

| DEPARTMENTAL GENERAL TELEPHONE NUMBERS | |
|---|---|
| Building and Safety Division | (916) 851-8760 |
| City Attorney's Office | (916) 556-1531 |
| City Clerk's Department | (916) 851-8720 |
| City Manager's Office | (916) 851-8800 |
| Communications Department | (916) 851-8791 |
| Economic Development Department | (916) 851-8780 |
| Finance Department | (916) 851-8730 |
| Housing Division | (916) 851-8784 |
| Human Resources Department | (916) 851-8740 |
| IT Department | (916) 851-8700 |
| Neighborhood Services – Animal Services | (916) 851-8770 |
| Parks & Recreation (Cordova Recreation & Park District) | (916) 362-1841 |
| Planning Department | (916) 851-8750 |
| Public Works Department | (916) 851-8710 |
| Rancho Cordova Police Department | (916) 875-9600 |
| Redevelopment Department | (916) 851-8780 |
| Sac Metro Fire District | (916) 859-4300 |

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

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

## CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, October 01, 2018 Regular Meeting of the Rancho Cordova City Council was posted and available for review on September 27, 2018 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed September 27, 2018 at Rancho Cordova, California.

Stacy Leitner

Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Darcy Goulart, Planning Manager

**SUBJECT:** **DISCUSSION AND DIRECTION ON VARIOUS ASPECTS OF SIGNAGE RELATED TO COMMUNITY EVENTS AND WAY-FINDING SIGNAGE**

## RECOMMENDATION

Receive report and direct staff on potential code amendments to address community event and way-finding signage.

## RESULT OF RECOMMENDED ACTION

No formal action is requested of Council at this time. Council insight and/or direction to City staff on various aspects of signage will assist staff with potential code amendments related to noncommercial, digital billboards, and way-finding signage.

## DISCUSSION

Title 23, Chapter 23.743 of the Rancho Cordova Municipal Code (RCMC) regulates all aspects of signage within the City limits. The City's regulation of signs must be consistent with the U.S. Constitution's First Amendment right to free speech. Sign regulations should be based on physical attributes such as size, lighting, location, and materials. Sign regulations generally cannot regulate the content of the sign. For example, a regulation that favors official public signs over other types of noncommercial signs, such as political or ideological signs, would likely be considered a "content-based" restriction. To justify such regulations, a city must show that the regulation furthers a compelling government interest and is narrowly tailored to achieve the objective. While this standard could likely be met where traffic signs are treated differently for public safety reasons, it would be difficult to meet it for a regulation that favored "community events" signage over other types of noncommercial signs.

Cities generally have more leeway to regulate commercial speech than noncommercial speech. A city regulation on commercial speech complies with the First Amendment so long as the restriction:

- Concerns lawful activity and is not misleading;
- Seeks to implement a substantial government interest;
- Directly advances that interest; and
- Reaches no further than necessary to accomplish its objective.

On a routine basis, staff receives various requests from community groups about off-site advertising for events and the need for more permanent solutions to advertise the numerous events that take place throughout the City. Additionally, inquiries often come in from potential or existing business owners regarding the need for way-finding signage to direct people to specific locations. Mainly these locations are commercial shopping centers that may not be known by those traveling along the Highway 50 corridor. The amount of inquiries regarding the desire for off-site community event advertising and way-finding signage has increased, which has prompted the need to have a discussion with the City Council on what is currently allowed and some potential solutions on how to address the identified needs of the community.

This staff report outlines the various sections of Chapter 23.743 that already address the necessary types of signs or sections that could be amended to do so. It also identifies constraints with the existing language. Staff will also speak to a few key areas where there are requests to install specific signs and will be seeking direction from Council on potential amendments.

*Billboards*
Billboards are regulated by Section 23.743.080 and are often the most common form of off-site signage. The billboards found within the City limits are those that display only one message or advertisement, unless it is a two-sided billboard. While there are still billboards located within the City limits, over the years some have been removed and replaced with digital signage, which offers the opportunity to host more than one advertisement. Digital signage will be further discussed in a section below.

This particular section of the code is specific to requests to relocate an existing billboard. In order to relocate a billboard, one must obtain approval of a conditional use permit. The following development standards apply for requests to relocated billboards:

| Type of Sign | Height | Sq. ft. | Separation Requirements/Other Notable Requirements | Location | Permit |
|---|---|---|---|---|---|
| Relocated Billboards | 30 feet | 720 sq. ft. | 300 ft. from other billboards<br>75 ft. from other onsite signs<br>200 ft. from ag/res parcels<br>No more than 1,000 ft. from commercial or industrial parcel<br>At least 50 ft. from ROW | Industrial zone | CUP |

While billboards may offer the ability to host some off-site advertising or way-finding signage for specific locations, consistent policy direction and discussion since incorporation has been to work towards phasing out the use of billboards within the City and replace them with signage that provides more opportunity to advertise various events and uses. There's a tendency for billboards to not be properly maintained and often times become abandoned and result in unwanted blight. For these reasons, staff does not recommend amending the code to utilize billboards as a means to advertise community events or way-finding signage.

*Digital Freeway Sign Overlay*
Section 23.743.150 of the Municipal Code regulates digital freeway signs along the Hwy 50 corridor. The digital freeway sign overlay was established to enable the consideration of digital freeway signs in specific locations within the City. Digital freeway signs located within the overlay area that meet various development standards may be permitted through a conditional use permit. If it is necessary to deviate from the standards, applicants may enter a voluntary

operational agreement with the City. The information in the table below summarizes some key components to a digital freeway sign. Figure 1 outlines the two areas (in yellow) within the City where digital freeway signs can be located. Figure 2 is an image of an existing digital freeway sign located near Naturewood, along Hwy 50. This sign hosts a variety of advertising, but is not limited to those uses or events specific to Rancho Cordova.

| Type of Sign | Height | Sq. ft. | Separation Requirements/Other Notable Requirements | Location | Permit |
|---|---|---|---|---|---|
| Digital Freeway Signs | 60 feet | 672 sq. ft. per digital display | 2,500 ft. from other digital freeway signs w/in City limits<br>Allow City display time for community interest messages<br>Allow public safety messages such as “Amber Alert” or emergency disaster communications<br>Remove 4 billboards for every one digital freeway sign.<br>Voluntary operational agreement to deviate from standards<br>Can advertise off site businesses | Sunrise Blvd. area<br>Hazel Ave. area<br>*See Figure 1 for exact location. | CUP |

Figure 1 – Digital Freeway Sign Overlay

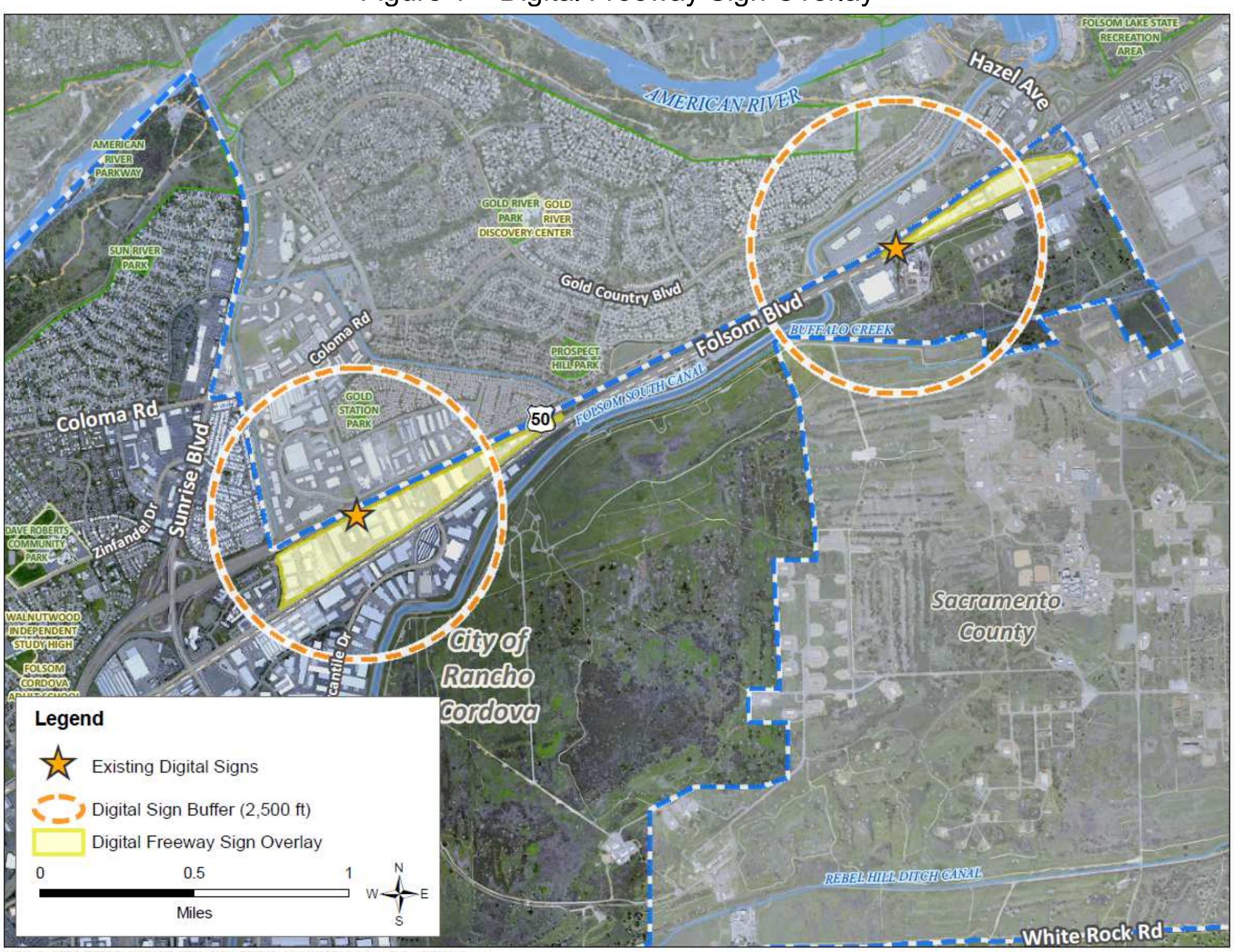
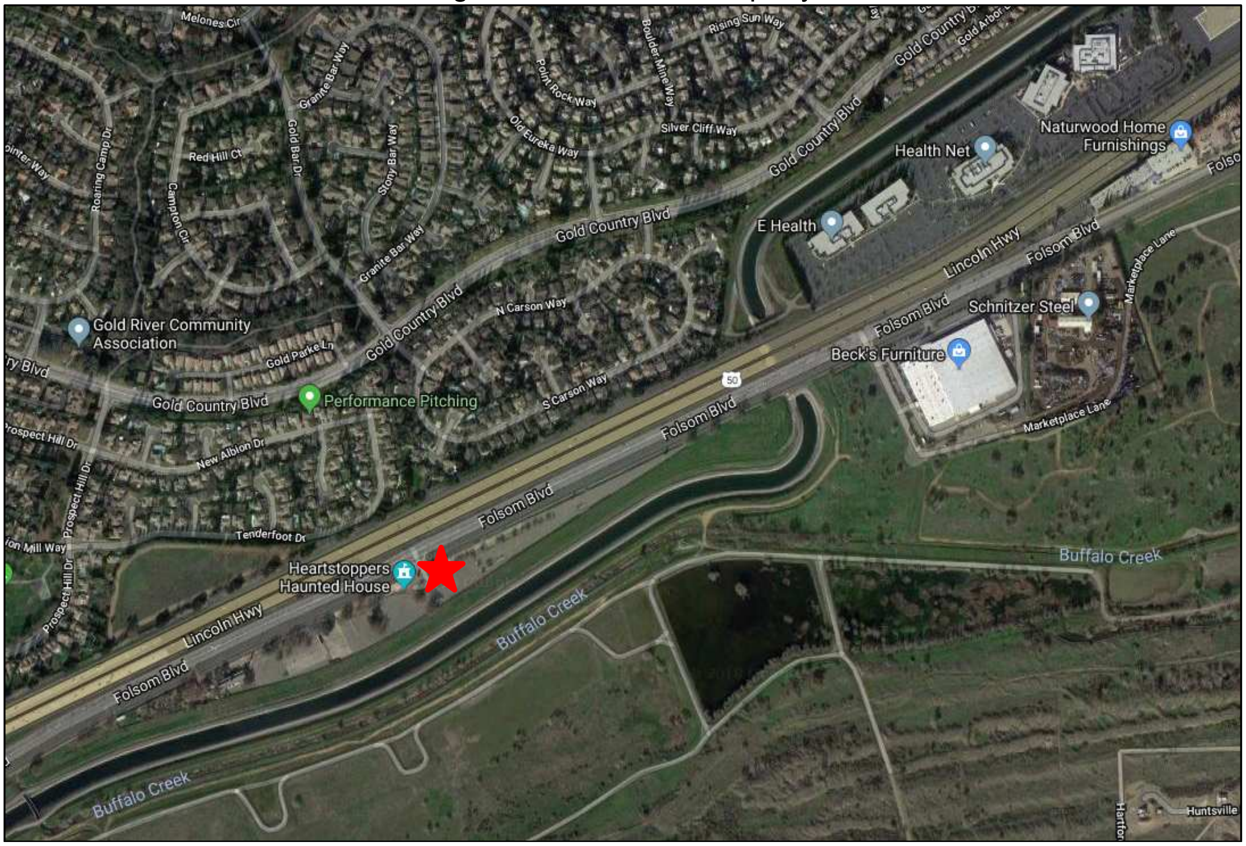


Figure 2 – Digital Freeway Sign near Naturewood

Digital freeway signs can be used to advertise various goods and services, as well as events. Caltrans and the City have various regulations that pertain to these signs such as illumination, aesthetics, frequency of how often messages can change and the requirement to use these signs for important safety messages and alerts. This section of the City's code contains solid regulations and provides the avenue for expanded advertising opportunities if all the development regulations can be met.

With that being said, staff has received an inquiry from the Cordova Community Council about the possibility of installing a digital freeway sign on the mineshaft property (Figure 3). This property is located outside of the digital freeway sign overlay, but does have a billboard on the far east portion of the property. The sign would be used to advertise Cordova Community Council events as well as offer opportunities for other entities to lease advertising space. Without an amendment to this section of the code to expand the overlay boundaries, a digital freeway sign on the mineshaft property would not be permitted.

Figure 3 – Mineshaft Property




*Electronic Message Signs*

Electronic message signs are regulated by Section 23.743.065 and include video display, electronic graphic display and time and temperature signs. These signs are allowed in any zone within the City through approval of an Administrative Use Permit. Some of the development standards are listed in the table below.

| Type of Sign | Height | Sq. ft. | Separation Requirements/Other Notable Requirements | Location | Permit |
|---|---|---|---|---|---|
| Electronic Signs | 6 ft. – 10 ft. (depending on zone) | 32 sq. ft. | 100 ft. from residential zone<br>Located on the site of the use being advertised | City wide | AUP |

The key thing to note with these types of signs is that the sign must be located on the site of the use identified or advertised by the sign. Figure 4 is an example of an electronic message sign used to advertise goods sold on a particular site. While this particular sign advertises retail goods, these types of signs could also be used to display upcoming events at a particular location. With that, staff is aware that the Mills Station Arts and Culture Center (MACC) is looking to install a sign of this nature near the corner of Mather Field Road and Folsom Boulevard, which would be considered off-site signage because it's not on the MACC site and not allowed per the current regulations.

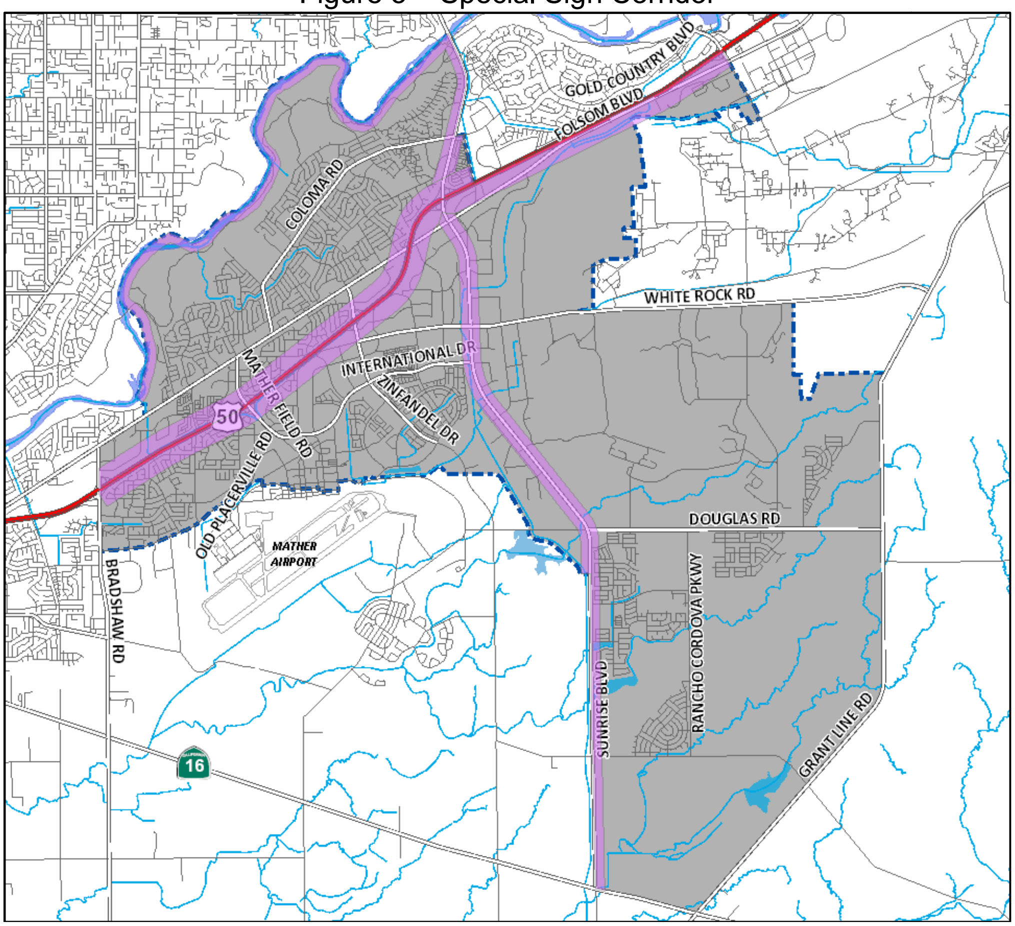
Figure 4 – Electronic Message Board


*Special Sign Corridor*

Section 23.743.120 regulates signs located within the Special Sign Corridor. As depicted in pink on Figure 5, this corridor focuses on areas that are heavily traveled. The intent of this corridor is to provide provisions to identify a business in an aesthetic manner that complements the architecture of the building and serves the needs of the traveling public. Historically, these areas attracted large, bright signs which may or may not have been related to the travel way or the needs of the traveler. Some of the specific development standards are listed in the table below. Similar to other sections of the sign chapter, off-site advertising is not permitted within the special sign corridor, except for in the form of a billboard or digital freeway sign.

| Type of Sign | Height | Sq. ft. | Separation Requirements/Other Notable Requirements | Location | Permit |
|---|---|---|---|---|---|
| Section 23.743.120 Special Sign Corridor | 6 ft. – 10 ft. (depending on zone) | Based upon zone | 50 ft. between freestanding signs<br>Located within a landscaped area | Hwy 50: 1,000 ft. radius/buffer<br>Sunrise from American River to Hwy 16: 500 ft. radius/buffer<br>American River centerline/northern City limits: 500 ft. radius/buffer | AUP: freestanding signs only |

Figure 5 – Special Sign Corridor



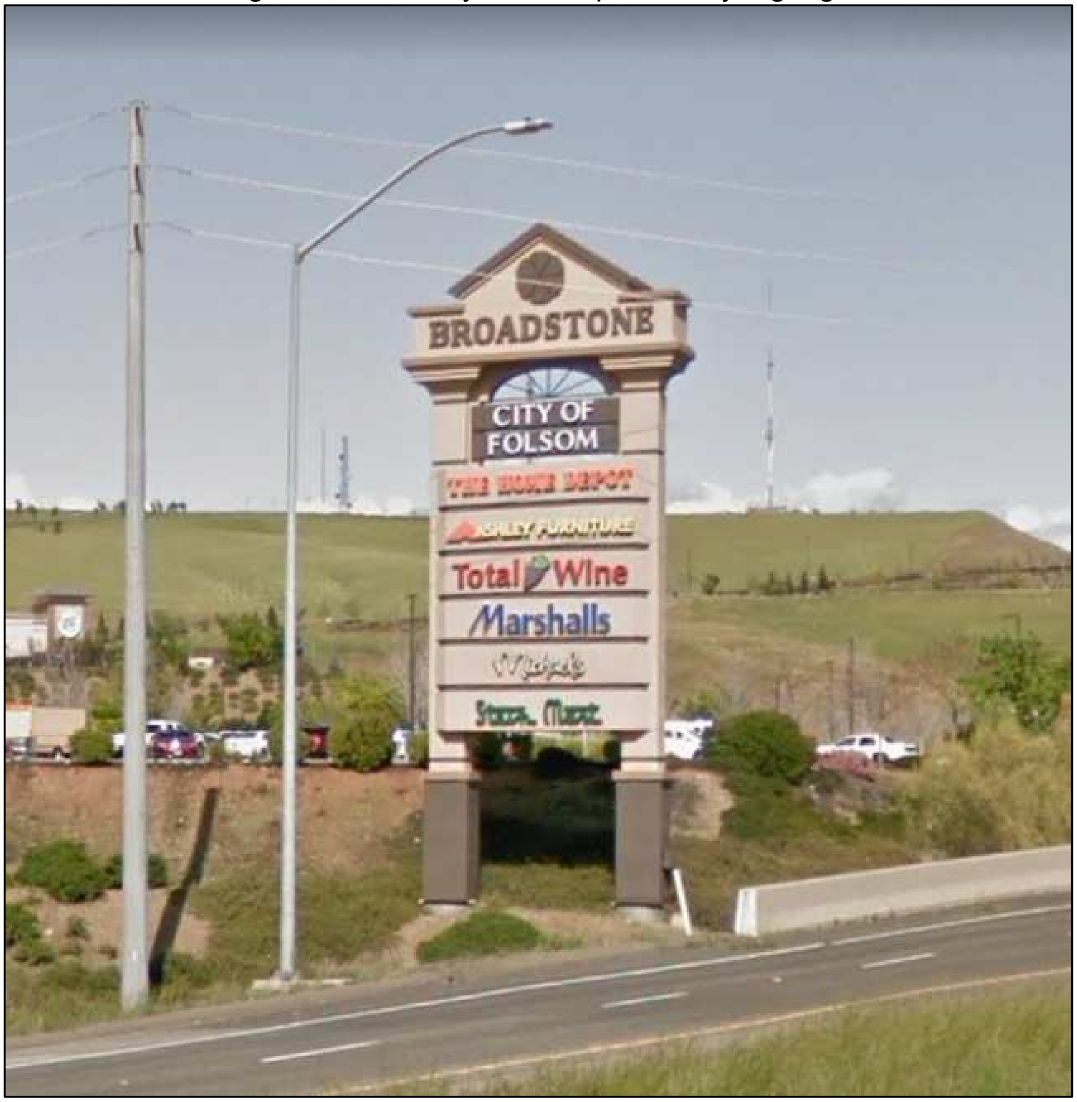
*Gateway Signs*
Section 23.743.130 establishes criteria for special signage at key entrances into the city and major districts within the city. One of the benefits of this type of signage is greater promotion of businesses, activities, events and places within the community. The key development standards are listed in the table below. One that staff wants to highlight is that the gateway signage program is a city-administered program. The process for securing sites, designing the signs, leasing or otherwise providing space on the sign for identification of uses and events in the city, maintaining the signs, and other functions is established by council and may be updated from time to time as deemed necessary. Additionally, nothing prohibits the city from acquiring the services of a private organization for purposes of designing, constructing, maintaining, and operating the signs.

| Type of Sign | Height | Sq. ft. | Separation Requirements/Other Notable Requirements | Location | Permit |
|---|---|---|---|---|---|
| Section 23.743.130 Gateway Signs | 60 ft. | 1,000 sq. ft. | Gateway signage program is city-administered<br>No more than one sign per freeway off-ramp or regional town center zone<br>Sign shall include the City logo and identification of the area of the city.<br>Located on property within the city limits, city ROW or Caltrans ROW. | Located at each entrance to the city from Hwy 50 – Bradshaw Rd., Mather Field Rd., Zinfandel Dr., Sunrise Blvd., & Rancho Cordova Parkway. | Non specified |

Public Works is currently administering the gateway sign program within the City limits. They are working on signage for a few key entrances into the city, such as Sunrise near the American River bridge and Folsom Blvd, near the west side of the city limits. While these specific sign locations provide an opportunity to welcome people into the city and display various upcoming events, there is an equal need for gateway signs at freeway off-ramps to provide greater promotion of businesses that do not have Hwy 50 frontage or visibility. Figures 6 and 7 depict freeway off-ramp gateway signage from two neighboring cities. These types of signs provide additional signage opportunities for businesses located off of the freeway that may not have direct freeway visibility for those traveling along freeway corridors. While the current code language provides the means to have these types of signs installed, at this time there aren't any that have been erected within the City. Additionally, the special sign corridor that was discussed above would need to be amended to allow these types of off-site advertising signs to be installed.

Figure 6 – Freeway Off-Ramp Gateway Signage

Figure 7 – Freeway Off-Ramp Gateway Signage



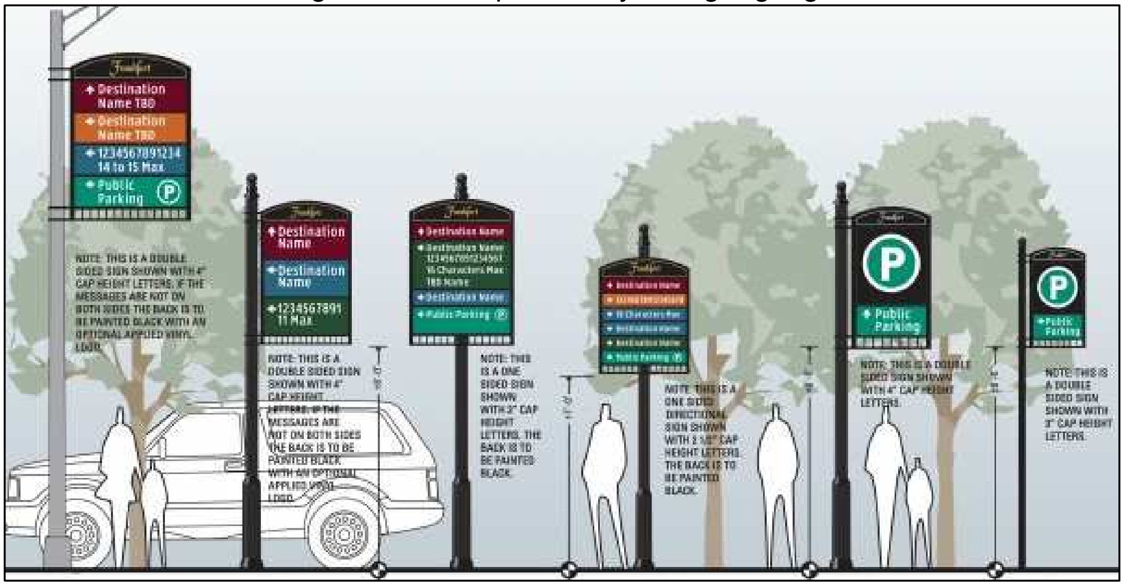

*Special Sign Districts*

Section 23.743.110 gives the City the ability to establish special sign districts for specific areas of the city. The intent of these special sign districts is to provide a uniform and consistent branding and identification for areas of the city, such as the downtown and the convention district, which would benefit from such regulations. As part of the special sign district, the city may adopt special development standards for private party signs that apply to property within this district. Examples of existing special sign districts are the special sign corridor and the digital freeway overlay. These districts clearly identify locations and development standards specific to signage within the specified area. Staff brings attention to this section of the code so that Council is aware that if they chose to create additional districts, there is a means to do so.

*Way-finding Signs*

While staff does not receive a lot of requests for off-site signage for advertising goods and services, there are circumstances where way-finding signage is needed to get the traveling public to a specific destination. Similar to directing people to specific public facilities, way-finding signage can also get people to a specific event, identified districts or shopping areas. These types of signs are generally permanent, but can be used on a temporary basis for events. Figure 8 provides various examples of way-finding signage. These are just a small sample of the many options that are available and are only included for reference purposes.

Figure 8 - Example of Wayfinding Signage




The City is unique in the sense that many of the major shopping areas are not situated in a manner where travelers along Hwy 50 would be aware of all that Rancho Cordova has to offer in terms of shopping and dining. Centers such as Cordova Village, Rancho Cordova Town Center and Capital Village could all benefit from the use of way-finding signage, but at this time the code would consider this type of signage to be off-site signage, which is not allowed.

## COUNCIL DIRECTION

Staff is looking for the following direction from the City Council:

1. Amend the Digital Freeway Sign Overlay to incorporate additional locations to locate these types of signs that can be used to advertise goods, services and community events?
2. Amend the code to allow off-site noncommercial signage only? If so, does the council want to specify specific locations within the city?
3. Amend the code to allow off-site commercial advertising on gateway signs at freeway off-ramps that are located in the special sign corridor?
4. Amend the code to incorporate way-finding signage for specific districts or locations within the city?

## FISCAL IMPACT

There are no immediate fiscal impacts relating to this discussion beyond staff time.

## ATTACHMENT

1. Presentation

ATTACHMENT 1

# Community Event & Way-finding Signage

AGENDA ITEM 3.1

a fresh take.
RANCHO CORDOVA
CALIFORNIA

CityOfRanchoCordova.org

# Purpose of Tonight's Discussion

- Receive report and direct staff on potential code amendments to address community event and way-finding signage.

# Council Direction

1. Amend the Digital Freeway Sign Overlay to incorporate additional locations to locate these types of signs that can be used to advertise goods, services and community events?

2. Amend the code to allow off-site non-commercial signage only? If so, does the council want to specify specific locations within the city?

3. Amend the code to allow off-site commercial advertising on gateway signs at freeway off-ramps, that are located in the special sign corridor?

4. Amend the code to incorporate way-finding signage for specific districts or locations within the city?

# Sign Ordinance

## Why does the City have a sign ordinance?

- ❖ Protects public health, safety, and welfare through appropriate prohibitions, regulations, and control on design, location and maintenance of signs.
- ❖ Enhance traffic safety – does not distract, obstruct or impede motorists or traffic circulation.
- ❖ Aesthetic, architectural and cosmetic compatibility with community by limiting clutter of the streetscape.

## What types of provisions are included in the sign ordinance?

- ❖ Development regulations for permanent and temporary signage – size, location, & illumination.
- ❖ Exempt & Prohibited Signs
- ❖ Development regulations for specific locations such as sign corridors or overlay areas.

# Content-Neutral Regulation

The City's regulation of signs must be consistent with the U.S. Constitution's First Amendment right to free speech.

Regulations should generally be content-nuetral.

Cities generally have more leeway to regulate commercial speech than noncommercial speech. A city regulation on commercial speech complies with the First Amendment so long as the restriction:

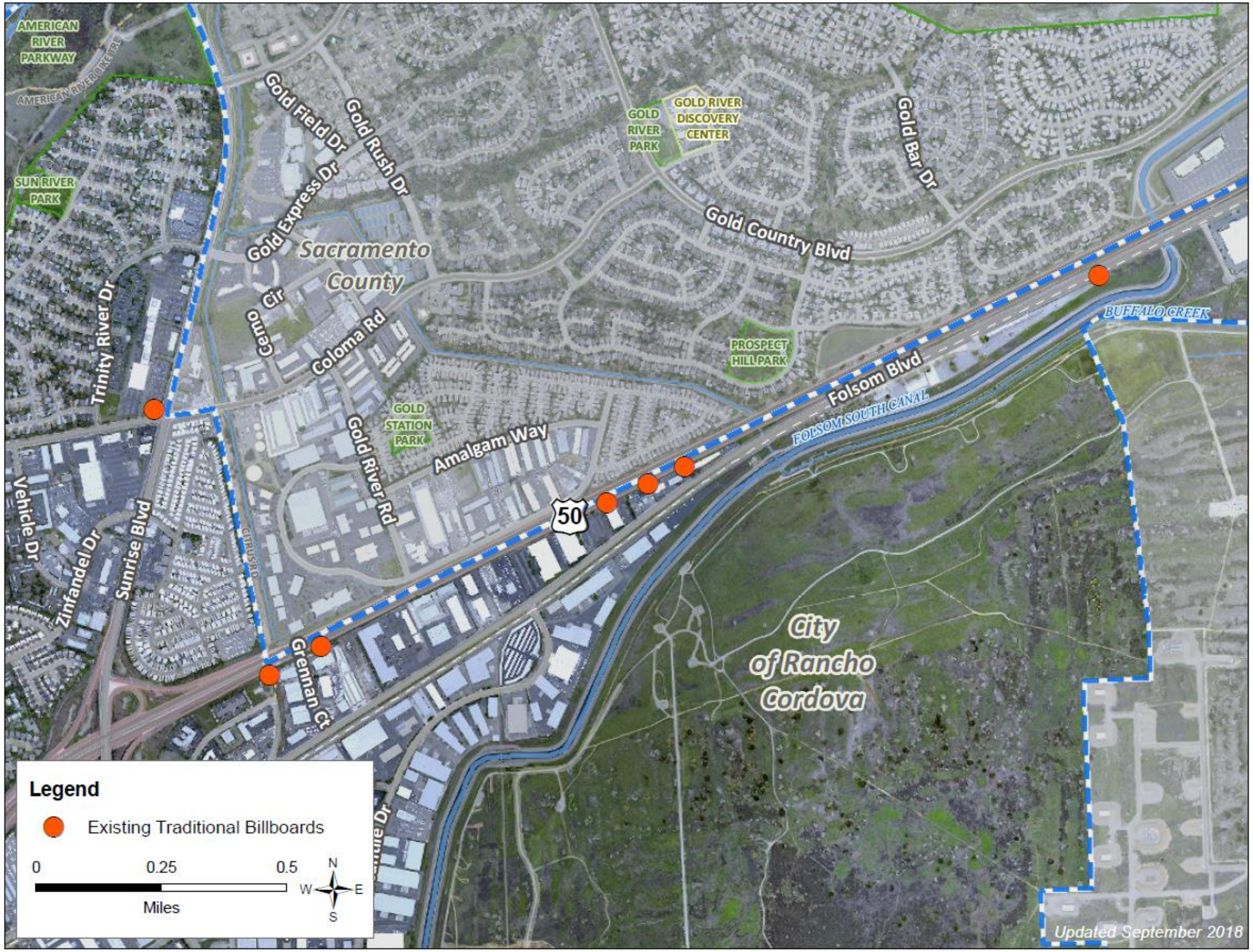
- Concerns lawful activity and is not misleading;
- Seeks to implement a substantial government interest;
- Directly advances that interest; and
- Reaches no further than necessary to accomplish its objective.

# Billboards

| | | | | |
|---|---|---|---|---|
| 30 feet | 720 sq. ft. | ➢ 300 ft. from other billboards<br>➢ 75 ft. from other onsite signs<br>➢ 200 ft. from ag/res parcels<br>➢ No more than 1,000 ft. from commercial or industrial parcel<br>➢ At least 50 ft. from ROW | Industrial zone | CUP |

# Existing Billboard Locations

ATTACHMENT 1



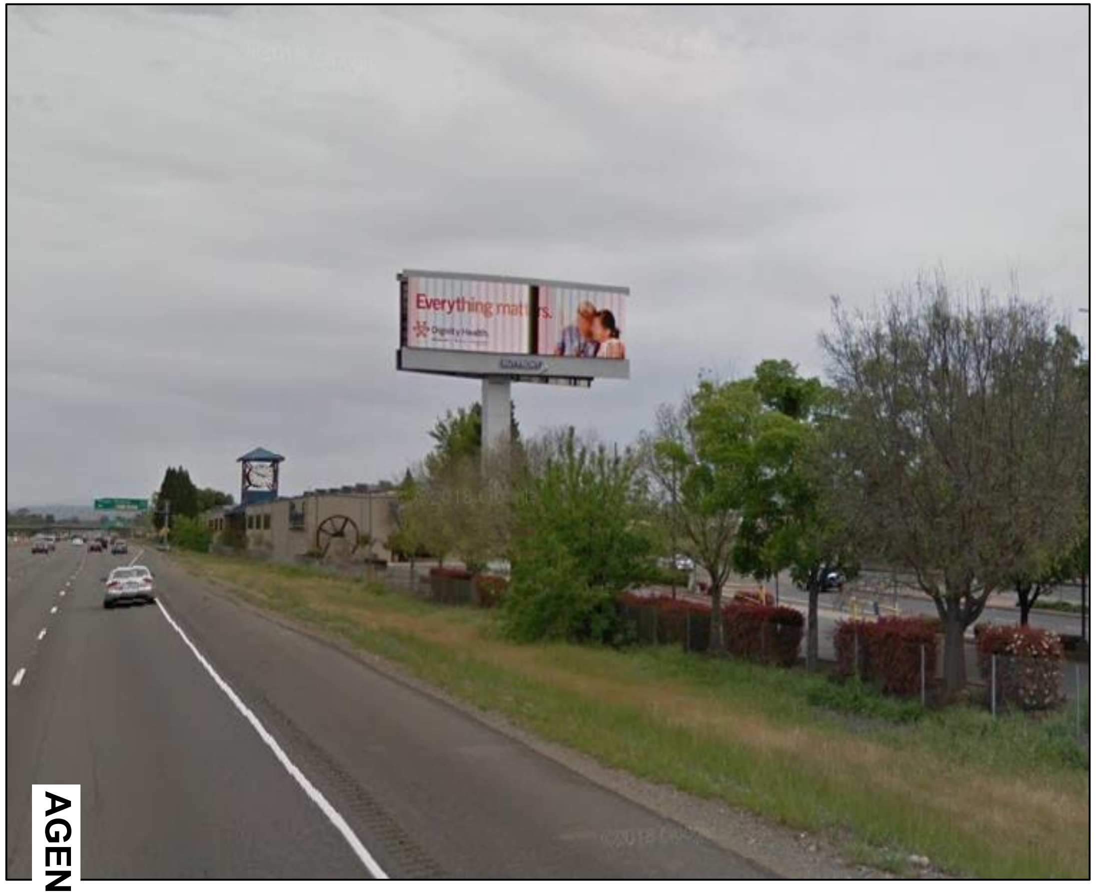

AGENDA ITEM 3.1

7

18

# Digital Freeway Signs

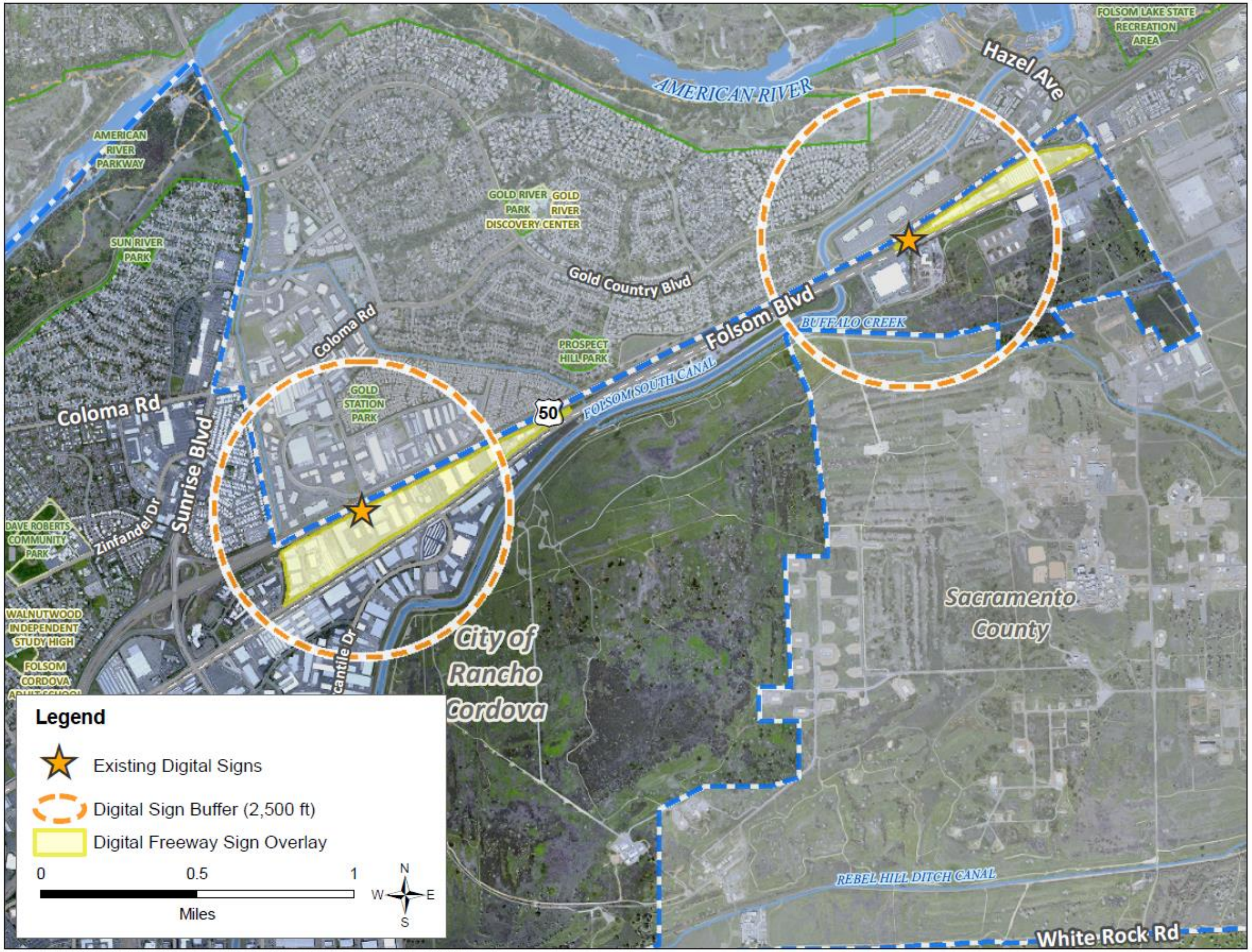
ATTACHMENT 1



| | | | | |
|---|---|---|---|---|
| 60 feet | 672 sq. ft. per digital display | ➢ 2,500 ft. from other digital freeway signs w/in City limits<br>➢ Allow City display time for community interest messages<br>➢ Allow public safety messages such as “Amber Alert” or emergency disaster communications<br>➢ Remove 4 billboards for every one digital freeway sign.<br>➢ Voluntary operational agreement to deviate from standards<br>➢ Can advertise off site businesses | ➢ Sunrise Blvd. area<br>➢ Hazel Ave. area | CUP |

# Digital Freeway Signs

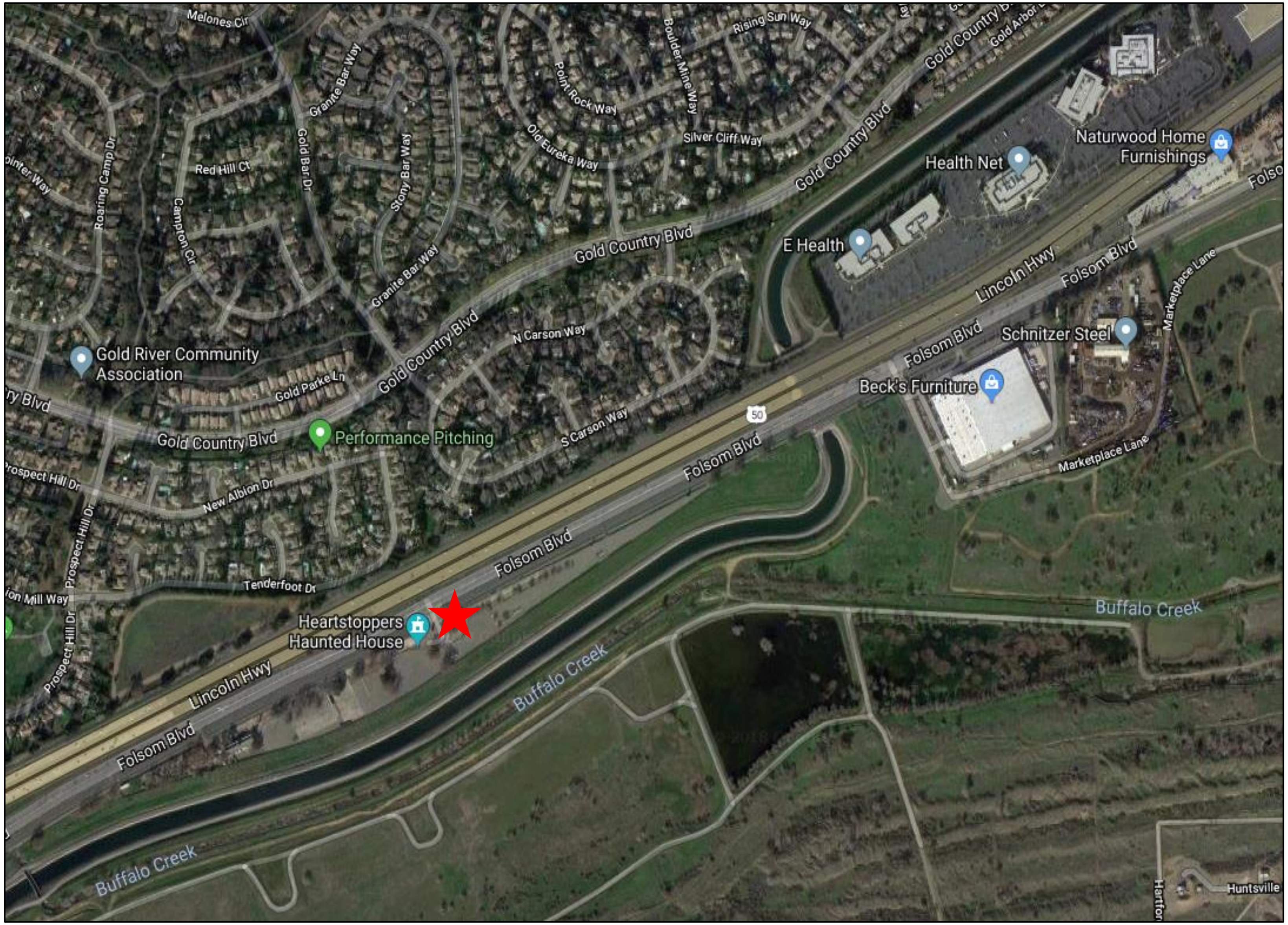
ATTACHMENT 1




AGENDA ITEM 3.1

# Mineshaft Property

ATTACHMENT 1




AGENDA ITEM 3.1

# Electronic Message Signs

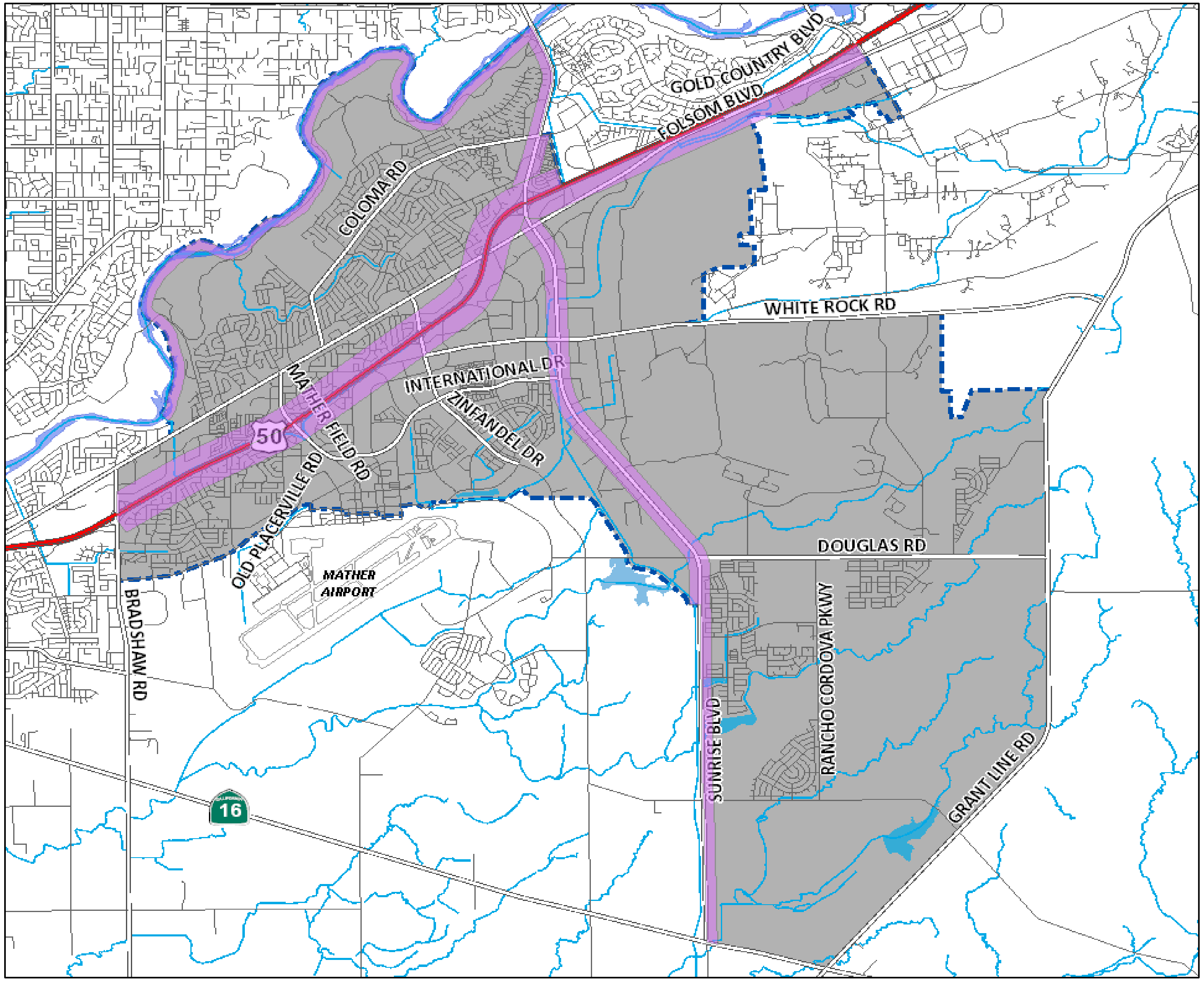

| | | | | |
|---|---|---|---|---|
| 6 ft. – 10 ft. (depending on zone) | 32 sq. ft. | ➢ 100 ft. from residential zone<br>➢ Located on the site of the use being advertised | City wide | AUP |

# Special Sign Corridor

| Monument Signs | | | | |
|---|---|---|---|---|
| 6 ft. – 10 ft. (depending on zone) | Based upon zone | ➢ 50 ft. between freestanding signs<br>➢ Located within a landscaped area | ➢ Hwy 50: 1,000 ft. radius/buffer<br>➢ Sunrise from American River centerline/northern City limits: 500 ft. radius/buffer | AUP: freestanding signs only |

# Special Sign Corridor

ATTACHMENT 1



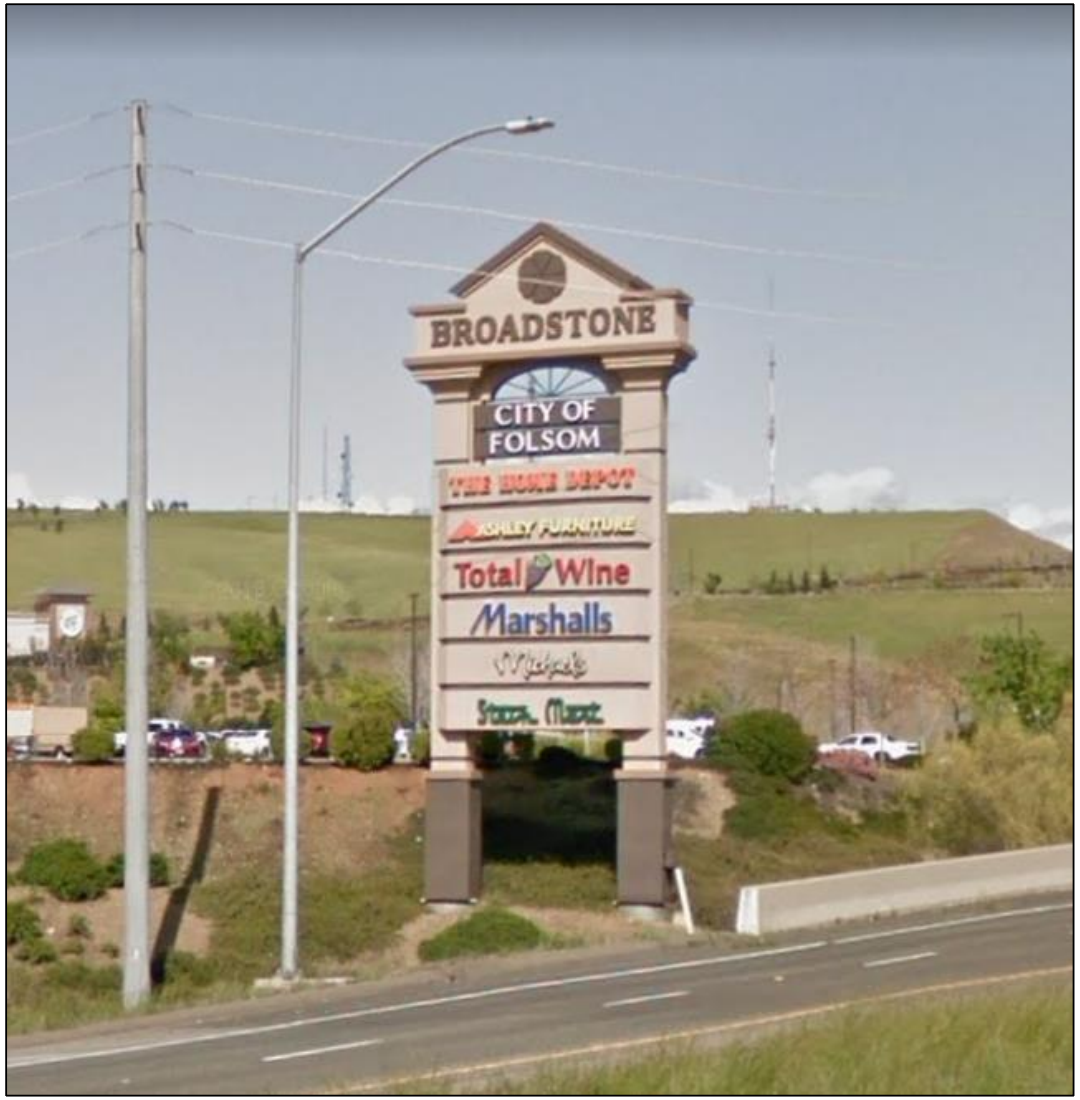

AGENDA ITEM 3.1

# Gateway Signs

| | | | | |
|---|---|---|---|---|
| 60 ft. | 1,000 sq. ft. | ➢ Gateway signage program is city-administered<br>➢ No more than one sign per freeway off-ramp or regional town center zone<br>➢ Sign shall include the City logo and identification of the area of the city.<br>➢ Located on property within the city limits, city ROW or Caltrans ROW. | Located at each entrance to the city from Hwy 50 – Bradshaw Rd., Mather Field Rd., Zinfandel Dr., Sunrise Blvd., & Rancho Cordova Parkway. | Non specified |

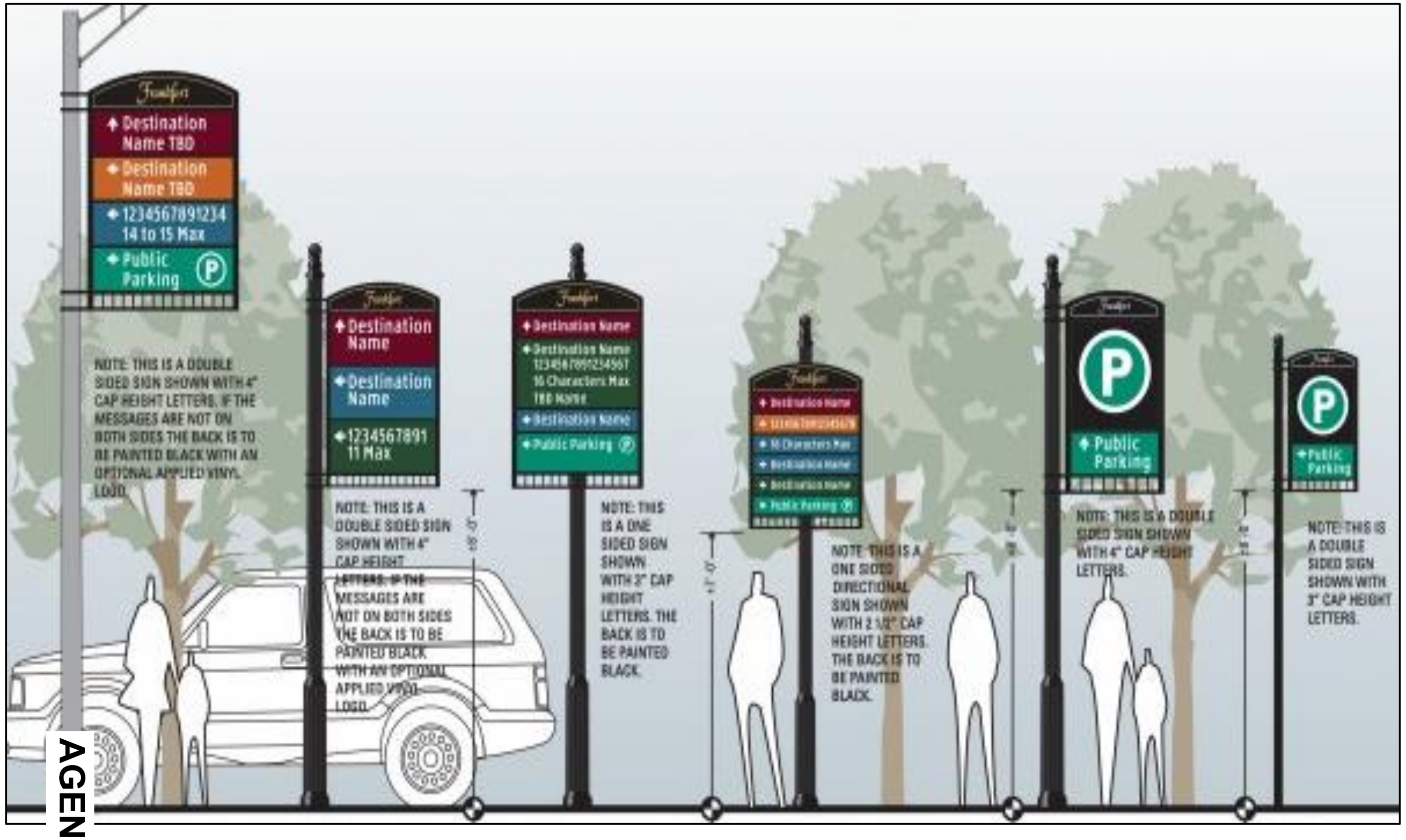
# Freeway Off-Ramp Gateway

ATTACHMENT 1




AGENDA ITEM 3.1

# Way-finding Signage




- Directs public to specific locations such as commercial centers.
- Generally permanent but could be temporary for events.
- Centers such as: Cordova Village, Rancho Cordova Town Center and Capital Village do not have freeway visibility or are tucked behind other developments and not easily found.
- Wayfinding would benefit many hidden shopping centers or specific locations.

# Council Direction

1. Amend the Digital Freeway Sign Overlay to incorporate additional locations to locate these types of signs that can be used to advertise goods, services and community events?

2. Amend the code to allow off-site non-commercial signage only? If so, does the council want to specify specific locations within the city?

3. Amend the code to allow off-site commercial advertising on gateway signs at freeway off-ramps, that are located in the special sign corridor?

4. Amend the code to incorporate way-finding signage for specific districts or locations within the city?

# THANK YOU

QUESTIONS & DISCUSSION

a fresh take. RANCHO CORDOVA CALIFORNIA

**CITY COUNCIL MEETING**

**City Hall**
**2729 Prospect Park Drive, Rancho Cordova**

**Tuesday, September 04, 2018**

**4:00 PM – Special Meeting**
**American River Room North**

**5:30 PM – Regular Meeting**
**David B. Roberts Council Chambers**

**Special Meeting/Work Session to Follow the Regular Meeting**

# DRAFT MINUTES

## 1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the special meeting to order in the American River Room North at 4:12 PM.

Council Members Present: Gatewood, McGarvey, Sander, Terry, Budge.

Council Members Absent: None.

Staff Members Present: Abhar, Behrends, Cook, Downton, Fontes, Haven, Juran, Kniestedt, Leitner, Pittman, Schelldorf, Simpson, Siren, Sparkman, Stricker, Taylor, Weber.

## 2. PUBLIC COMMENT

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

## 3. SPECIAL MEETING ITEM

3.1 **Subject:** Rancho Cordova Police Department Update.
**Recommendation:** Receive information regarding updates to the Police Department. Provide feedback on direction and program updates.
**Result of Recommended Action:** Staff is providing updated information on programs within the police department and changes to the Police Department based on recommendations from the consultant's report.

**Staff Report:** Chris Pittman, Chief of Police.
**Advances Goals:** 1, 2, and 5.

**ACTION:** Motion to continue this item to the regular meeting by Sander second by Terry; Motion passed with a 5:0 vote.

## 4. ADJOURNMENT OF SPECIAL MEETING

Mayor Budge adjourned the special meeting to the regular meeting in the David B. Roberts Council Chambers at 5:23 PM.

## 5. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor Budge called the regular meeting to order in the David B. Roberts Council Chamber at 5:49 PM.

Council Members Present: Gatewood, McGarvey, Sander, Terry, Budge.

Council Members Absent: None.

Staff Members Present: Abhar, Cook, Downton, Fontes, Goulart, Juran, Kniestedt, Leitner, Pittman, Schelldorf, Sparkman, Stricker, Ulm, Weber.

## 6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

## 7. PLEDGE OF ALLEGIANCE

Mark Fontes led the pledge.

## 8. INVOCATION

Executive Pastor, Mark Shetler, from River City Christian gave the invocation.

## 9. PRESENTATIONS

Special Meeting/Police Department Update continued after third presentation.

9.1 Proclamation Presented Designating the Month of September as Prostate Cancer Awareness Month.

Accepted by Dick Montgomery

9.2 City of Rancho Cordova Residential Beautification Presentation.

9.3 Presentation of Results from the 2018 Resident Satisfaction Survey.
**Recommendation:** Receive presentation of the results from the 2018 Resident Satisfaction Survey.
**Result of Recommended Action:** Council will receive the results of the Survey and

provide feedback to Staff.
**Staff Report:** Maria Kniestedt, Communications Department Director and Stefan Heisler, Reinvestment Analyst.
**Advances Goals:** 1, 2,3 ,4, 5, and 6.

**Item 3.1 Presentation continued from special meeting**

3.1 **Subject:** Rancho Cordova Police Department Update.
**Recommendation:** Receive information regarding updates to the Police Department. Provide feedback on direction and program updates.
**Result of Recommended Action:** Staff is providing updated information on programs within the police department and changes to the Police Department based on recommendations from the consultant's report.
**Staff Report:** Chris Pittman, Chief of Police.
**Advances Goals:** 1, 2, and 5.

## 10. PUBLIC COMMENT

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

## 11. COUNCIL REPORTS

Council reported on events since the last meeting.

## 12. CITY MANAGER'S REPORT

City Manager Cyrus Abhar gave his report.

## 13. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

The City Clerk read the ballot tabulation for item 13.4 into the record and declared a majority approval on the proposed action.

**ACTION:** Motion to approve by Terry second by Gatewood; Motion passed with a 5:0 vote.

13.1 **Subject:** Meeting Minutes from the August 20, 2018 Regular City Council Meeting.
**Recommendation:** Adopt Minutes.

13.2 **Subject:** Treasurer's Report - June 30, 2018.
**Recommendation:** This report is informational only. It is recommended that the City Council receive and file the June 30, 2018 Treasurer's Report.
**Result of Recommended Action:** The Treasurer's Report is required to be submitted to the City Council at least quarterly in accordance with California Government Code Section 53600 et. seq. The purpose of the treasurer's report is to update the City Council and the public on the status of the City's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the second quarter of this calendar year, ending June 30, 2018, and is in compliance with the State's reporting requirements.
**Staff Report:** Kim Juran-Karageorgiou, Administrative Services Director.
**Advances Goal:** 4.

13.3 **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 51-2018-1 with Kaizen InfoSource to Extend the Contract Term to June 30, 2020 and Increase the Contract Amount from $69,000 to an Amount Not to Exceed $183,175 for Electronic Content Management System and Agenda Management Software Consulting Services.
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution will authorize the City Manager to execute Contract Amendment No. 51-2018-1 with Kaizen InfoSource. This will extend the contract term to June 30, 2020 and increase the initial contract amount from $69,000 to an amount not to exceed $179,000.
**Staff Report:** Stacy Leitner, City Clerk.
**Advances Goals:** 1 and 5.

13.4 **Subject:** A Resolution Declaring Results of the Mail Ballot Election Relating to the Imposition of the Annual Stormwater Utility Fee on the Creekside Commerce Center Project in the City of Rancho Cordova.
**Recommendation:** Adopt a Resolution declaring the results of the mail ballot election relating to the imposition of the annual Stormwater Utility Fee for the Creekside Commerce Center project.
**Result of Recommended Action:** Adoption of the Resolution will declare the results of the ballot tabulation in connection with the imposition of the annual Stormwater Utility Fee on the Creekside Commerce Center Project. If majority approval exists, the City Council may impose the annual Stormwater Utility Fee on the Creekside Commerce Center Project pursuant to the Fee Ordinance. If there is no majority approval, the Stormwater Utility Fee shall not be imposed for the project.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

## 14. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

Mayor Budge opened the public hearing, seeing no speakers, Mayor Budge closed the public hearing.

**ACTION:** Motion to approve by Terry second by McGarvey; Motion passed with a 5:0 vote.

14.1 **Subject:** A Resolution Declaring a Protest Hearing and Authorizing the Mailing of Property Owner Ballot Relating to the Imposition of the Annual Stormwater Utility Fee for the Douglas 98 Project.
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:**Adoption of the Resolution will declare the results of the property owner protest and, if there exists less than a majority protest, authorize the mailing of a ballot to the property owner to approve the levy of the fee to pay for maintenance of storm drainage and flood protection systems for the Douglas 98 project. The action also sets 1:30 p.m. on September 19, 2018 in the office of the City Clerk, as the time and date for the ballot tabulation for the matter.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

14.2 **Subject:** Introduction and First Reading of an Ordinance Amending Sections of the Rancho Cordova Municipal Code Related to Title 6 Health and Sanitation and Title 23 Zoning Code.

**Recommendation:** Introduce and waive the first reading of the Ordinance.
**Result of Recommended Action:** The Ordinance would come back for a second reading and adoption at the next regular City Council meeting. Approval of the Ordinance would amend Title 6 (Health and Sanitation), Chapter 6.56 Abandoned Vehicles and Title 23 (Zoning Code), Article 1 Administration, Article 3 Zoning District, Allowable Uses, and General Development Standards, Article 7 Site Planning and Development Standards, and Article 11 Definitions of the Rancho Cordova Municipal Code (RCMC).
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, 5, and 6.

## 15. PUBLIC HEARING ITEMS

15.1 **Subject:** Introduction and First Reading of an Ordinance Repealing Chapter 4.28 Bingo Parlors of the Rancho Cordova Municipal Code and Amending Sections of the Rancho Cordova Municipal Code Related to Title 4 Business Regulation; Bingo Games; Title 23 Zoning Code; and the Folsom Boulevard Specific Plan.
**Recommendation:** Introduce and waive first reading of the Ordinance.
**Result of Recommended Action:** The Ordinance would come back for a second reading and adoption at the next regular City Council meeting. Approval of the Ordinance would amend Title 4 (Business Regulation), Chapter 4.26 Bingo Games; Title 23 (Zoning Code), Article 3 Zoning District, Allowable Uses, and General Development Standards; and the Folsom Boulevard Specific Plan, Chapter 2 Land Use Plan and Allowed Uses. The ordinance would also repeal Chapter 4.28 Bingo Parlors and incorporate bingo parlor standards into Chapter 4.26 Bingo Games.
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, 5, and 6.

Mayor Budge opened the public hearing, the following individual spoke:

1. Jim Tabuchi

Mayor Budge closed the public hearing.

**ACTION:** Motion to approve by Terry second by Gatewood; Motion passed with a 5:0 vote.

## 16. REGULAR CALENDAR ITEMS

16.1 **Subject:** South Sacramento Habitat Conservation Plan (SSHCP) Update and Memorandum of Agreement for Fiscal Year 2018/2019.
**Recommendation:** Receive information on status and schedule of implementation of the SSHCP, discuss proposed change in governance requested by the County Board of Supervisors, and adopt resolution authorizing execution of the Memorandum of Agreement ("MOA") with Sacramento County, Sacramento County Water Agency, and the City of Galt related to funding the SSHCP.
**Result of Recommended Action:** Adoption of this Resolution with authorize the City Manager to execute the SSHCP MOA for fiscal year 2018/2019 funding to assist in the preparation and implementation of the South Sacramento Habitat Conservation Plan.
**Staff Report:** Elizabeth Sparkman, Community Development Director.
**Advances Goals:** 1, 2, and 5.

**ACTION:** Motion to approve by Gatewood second by McGarvey; Motion passed with a 5:0 vote.

## 17. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

## 18. ADJOURNMENT

Mayor Budge adjourned the meeting at 8:56 PM in memory of Aretha Franklin and John McCain.

Stacy Leitner, City Clerk

# CITY OF RANCHO CORDOVA

## CONCURRENT MEETING
## CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

**City Hall**
**2729 Prospect Park Drive, Rancho Cordova**

**Tuesday, September 11, 2018**

**5:30 PM – Special Meeting**
**American River Community Room North**

# DRAFT MINUTES

## 1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the special meeting to order in the American River Community Room at 5:33 PM.

Council Members Present: Gatewood, McGarvey, Terry, Budge.

Council Members Absent: Sander.

Staff Members Present: Abhar, Carr, Delaney, Goulart, Haven, Juran, Kniestedt, Leitner, Leonardich, Siren, Sparkman, Splendorio, Stricker, Ulm.

Council Member Sander arrived at 5:36 PM.

## 2. PUBLIC COMMENT

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

## 3. SPECIAL MEETING ITEM

3.1 **Subject:** Cordova Community Council Update.

**Recommendation:** Receive information and provide input and direction related to the Cordova Community Council Foundation activities and programs.
**Result of Recommended Action:** Staff and the Cordova Community Council are seeking Council guidance and feedback on the current partnership activities and programming of the Cordova Community Council. Additionally, we are seeking feedback on the programming of the Mills Station Arts and Culture Center and the future of the Mine Shaft Property.
**Staff Report:** Cyrus Abhar, City Manager.
**Advances Goals:** 1 and 3.

Staff presented the item.

**ACTION:** Council provided direction and feedback regarding Cordova Community Council Foundation's current partnership activities.

3.2 **Subject:** Discussion and Direction on Various Aspects of Signage Related to Community Events and Way-finding Signage.
**Recommendation:** Receive report and direct staff on potential code amendments to address community event and way-finding signage.
Result of Recommended Action: No formal action is requested of Council at this time. Council insight and/or direction to City staff on various aspects of signage will assist staff with potential code amendments related to noncommercial, digital billboards, and way-finding signage.
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, and 6.

This item was moved to the October 1, 2018 Special City Council Meeting at 4:00pm.

## 4. ADJOURNMENT

Mayor Budge adjourned the meeting at 7:18 PM.

Stacy Leitner, City Clerk

CITY COUNCIL MEETING

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, September 17, 2018

5:30 PM – Regular Meeting
David B. Roberts Council Chambers

# DRAFT MINUTES

## 1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Vice Mayor McGarvey called the regular meeting to order in the David B. Roberts Council Chamber at 5:40 PM.

Council Members Present: Gatewood, McGarvey, Sander, Terry.

Council Members Absent: Budge.

Staff Members Present: Cowles, Downton, Goulart, Haven, Kniestedt, Leitner, Lindgren, Nham, Simpson, Somavarapu, Sparkman, Stricker, Weber.

## 2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

## 3. PLEDGE OF ALLEGIANCE

Bob Cashatt led the pledge.

## 4. INVOCATION

Chaplain Michael Garren from Veterans Administration Medical Center Mather gave the invocation.

## 5. PRESENTATIONS

5.1 Presentation of Certificates Recognizing Bob and Meada Cashatt for Exemplary Service in the Community.

5.2 Information Presented on Sacramento Area Council of Governments (SACOG) Civic Lab, by SACOG Chief Executive Officer, James Corless.

*Cyrus Abhar, City Manager arrived at 6:10 PM.*

*Mayor Budge arrived at 6:15 PM.*

5.3 Follow up informational Presentation Regarding Resident Concerns at Vintage Faire Apartments, by Neighborhood Services Manager Kerry Simpson.

5.4 Introduction of New Employee Quoc Nham, Associate Civil Engineer, by the Director of Public Works, Albert Stricker.

## 6. PUBLIC COMMENT

Mayor Budge opened the public comment period. The following people addressed the Council:

1. Sharon Judy
2. Debbie Cady
3. Armida Baxter
4. Richard Hartzel

Mayor Budge closed the public comment period.

## 7. COUNCIL REPORTS

Council reported on events since the last meeting.

## 8. CITY MANAGER'S REPORT

City Manager Cyrus Abhar gave his report.

## 9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

**ACTION:** Motion to approve by Terry second by Gatewood; Motion passed with a 5:0 vote.

9.1 **Subject:** An Ordinance Repealing Chapter 4.28 Bingo Parlors of the Rancho Cordova Municipal Code and Amending Sections of the Rancho Cordova Municipal Code Related to Title 4 Business Regulation; Bingo Games; Title 23 Zoning Code; and the Folsom Boulevard Specific Plan.
**Recommendation:** Waive the second reading and adopt the Ordinance.
**Result of Recommended Action:** Approval of the Ordinance would amend Title 4 (Business Regulation), Chapter 4.26 Bingo Games; Title 23 (Zoning Code), Article 3 Zoning District, Allowable Uses, and General Development Standards; and the Folsom Boulevard Specific Plan, Chapter 2 Land Use Plan and Allowed Uses. The Ordinance would also repeal Chapter 4.28 Bingo Parlors and incorporate bingo parlor standards into Chapter 4.26 Bingo Games.
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, 5, and 6.

9.2 **Subject:** An Ordinance Amending Sections of the Rancho Cordova Municipal Code

Related to Title 6 Health and Sanitation Title 23 Zoning Code.
**Recommendation:** Waive the second reading and adopt the Ordinance.
**Result of Recommended Action:** Approval of the Ordinance would amend Title 6 (Health and Sanitation), Chapter 6.56 Abandoned Vehicles; Title 23 (Zoning Code), Article 1 Administration, Article 3 Zoning District, Allowable Uses, and General Development Standards, Article 7 Site Planning and Development Standards, and Article 11 Definitions of the Rancho Cordova Municipal Code.
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, 5 and 6.

9.3 **Subject:** A Resolution Declaring the Results of the Mail Ballot Election Relating to the Imposition of the Annual Stormwater Utility Fee on the Grantline 208 Project in the City of Rancho Cordova.
**Recommendation:** Adopt the Resolution declaring the results of the mail ballot election relating to the imposition of the annual Stormwater Utility Fee for the Grantline 208 project.
**Result of Recommended Action:** Adoption of the Resolution will declare the results of the ballot tabulation in connection with the imposition of the annual Stormwater Utility Fee on the Grantline 208 Project. If majority approval exists, the City Council may impose the annual Stormwater Utility Fee on the Grantline 208 Project pursuant to the Fee Ordinance. If there is no majority approval, the Stormwater Utility Fee shall not be imposed for the project.
**Staff Report:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician.
**Advances Goal:** 5.

9.4 **Subject:** A Resolution Approving the Annexation of the Douglas 98 Subdivision into the City of Rancho Cordova Community Facilities District No. 2013-2 (Police Services).
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution will approve Annexation Map No. 3 for the Douglas 98 Subdivision to Community Facilities District No. 2013-2 (Police Services), and approves the recording of the annexation map and Notice of Special Tax Lien.
**Staff Report:** Michelle Mingay, Sr. Finance Analyst.
**Advances Goal:** 5.

## 10. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

**ACTION:** Motion to approve by Terry second by McGarvey; Motion passed by 5:0 vote.

10.1 **Subject:** A Resolution Approving the 2017-18 Community Development Block Grant (CDBG) Consolidated Annual Performance Evaluation Report (CAPER) for submittal to U.S. Department of Housing and Urban Development (HUD).
**Recommendation:** Approve a Resolution of the City Council of the City of Rancho Cordova to submit the 2017-18 Consolidated Annual Performance and Evaluation Report (CAPER) to U.S. Department of Housing and Urban Development (HUD).
**Result of Recommended Action:** The 2017-18 CDBG CAPER will be submitted for HUD review according requirements and timelines.
**Staff Report:** Jessica Hayes, Grants Management Consultant and Elizabeth Sparkman, Community Development Director.
**Advances Goals:** 2 and 5.

## 11. PUBLIC HEARING ITEMS

11.1 **Subject:** Towne Place Suites by Marriott Conditional Use Permit Amendment, Major Design Review and Exception; Project No. DD9806 – Located at 11212 Point East Drive.
**Recommendation:** That Council: 1) Find the project Categorically Exempt under Section 15332 of the California Environmental Quality Act; and 2) Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution would approve a Conditional Use Permit Amendment, Major Design Review, and Exception to construct a 69,510 square foot, 4-story extended stay hotel with 118 rooms.
**Staff Report:** Darcy Goulart, Planning Manager.
**Advances Goals:** 1, 2, and 6.

Mayor Budge opened the Public Hearing; the following individuals spoke:

1. Ronald Smith
2. Liam Mather
3. Mary Nesel

Mayor Budge closed the Public Hearing.

**ACTION:** Motion to approve the Resolution and authorize 1) removal of the tree; and 2) removal of condition 14 in Exhibit B of the Resolution; and 3) the addition of on-street parking on Point East by Terry second by McGarvey; Motion passed by 5:0 vote.

11.2 **Subject:** Premier Homes, LLC Montelena Village 9 & 10 Major Design Review and Adjustment; Project No. DD9812 – Located South of Chrysanthy Boulevard and East of Jade River Drive.
**Recommendation:** That Council: 1) Determine the project Exempt under Section 15182, of the CEQA Guidelines; and 2) Adopt the Resolution.
**Result of Recommended Action:** Adoption of the Resolution would approve the design for 6 single-family home plans ranging from 1,510 square feet to 3,341 square feet, each with 3 elevations to be located within Montelena Villages 9 & 10. Approval would allow the applicant to pursue necessary building permits for new construction.
**Staff Report:** June Cowles, Senior Planner.
**Advances Goals:** 1, 2, and 6.

Mayor Budge opened the Public Hearing; the following individuals spoke:

1. Kevin Yttrup

Mayor Budge closed the Public Hearing.

**ACTION:** Motion to approve by Terry second by Sander; Motion passed by 5:0 vote.

11.3 **Subject:** Action Items Related to the Formation of Rancho Cordova Community Facilities District No. 2018-2 (Community Places and Neighborhood Greens).
**Recommendation:** Staff recommends Council adopt the following Resolutions:
1. A Resolution forming Community Facilities District (CFD) No. 2018-2 (Community Places and Neighborhood Greens), and levying a special tax within the District.
2. A Resolution calling for a special election in CFD No. 2018-2 (Community Places

and Neighborhood Greens).
3. A Resolution declaring election results of CFD No. 2018-2 (Community Places and Neighborhood Greens).
4. Waive the first reading and introduce an Ordinance levying a special tax within CFD No. 2018-2 (Community Places and Neighborhood Greens).
**Result of Recommended Action:** Action on these items will complete the formation of the CFD and authorize a landowner vote on the levying of the special tax. If the vote supports the tax, it would authorize the levying of a special tax on the Sunridge Lot J, Grantline 208 and Douglas 98 projects included in the CFD. The special tax proceeds help support the operation and maintenance of community plazas, neighborhood greens and regional trails. The actions also result in the establishment of a future annexation area which allows the processing of future annexations into the CFD in an efficient manner. There is no financial impact to existing residents, as this CFD only includes new development areas.
**Staff Report:** Elizabeth Sparkman, Community Development Director.
**Advances Goal:** 5.

The City Clerk read the ballot tabulation into the record and declared a majority approval on the proposed action.

**ACTION:** Motion to approve:

1. A Resolution forming Community Facilities District (CFD) No. 2018-2 (Community Places and Neighborhood Greens), and levying a special tax within the District by McGarvey second by Terry; Motion passed by 5:0 vote.
2. A Resolution calling for a special election in CFD No. 2018-2 (Community Places and Neighborhood Greens) by Gatewood second by McGarvey; Motion passed by 5:0 vote.
3. A Resolution declaring election results of CFD No. 2018-2 (Community Places and Neighborhood Greens) by Terry second by Gatewood; Motion passed by 5:0 vote.
4. Waiving the first reading and introduction of an Ordinance levying a special tax within CFD No. 2018-2 (Community Places and Neighborhood Greens) by Terry second by Gatewood; Motion passed by 5:0 vote.

## 12. REGULAR CALENDAR ITEMS

12.1 **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 169-2018 with Mark Thomas Company Inc. in an Amount Not to Exceed $304,774 for Construction Engineering Support for the Zinfandel Complex Project.
**Recommendation:** Adopt the Resolution.
**Result of Recommended Action:** Adoption of this Resolution would authorize the City Manager to execute an engineering services contract with Mark Thomas Company Inc. in an amount not to exceed $304,774 for design and engineering support during construction services for the Zinfandel Complex Project.
**Staff Report:** Albert Stricker, Public Works Director.
**Advances Goals:** 1, 2, and 5.

Mayor Budge opened the public comment portion of the item, the following individual spoke:

1. Matt Cummings.

Mayor Budge closed the public comment portion of the item.

**ACTION:** Motion to approve by Terry second by McGarvey; Motion passed by 5:0 vote.

## 13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

Council Member Sander requested additional discussion regarding funding to support the youth basketball league.

## 14. ADJOURNMENT

Mayor Budge adjourned the meeting at 8:22 PM in memory of Rancho Cordova Police Deputy Mark Stasyuk who died in the line of duty.

____________________________
Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Elizabeth Sparkman, Community Development Director

**SUBJECT:** **AN ORDINANCE LEVYING A SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT NO. 2018-2 (COMMUNITY PLACES AND NEIGHBORHOOD GREENS)**

## RECOMMENDATION

Waive the second reading and adopt the Ordinance.

## RESULT OF RECOMMENDED ACTION

Approval of the Ordinance would authorize the levy of a special tax within CFD 2018-2 (Community Places and Neighborhood Greens) at the rate and in accordance with the rate and method of apportionment of special tax as set forth in the Resolution of Formation adopted by the Council.

## BACKGROUND

On September 17, 2018 the City Council approved the actions required to complete the formation of CFD 2018-2 (Community Places and Neighborhood Greens) and waived the first reading and passed to a second reading of an Ordinance levying a special tax within the CFD on projects within the CFD. The initial projects in the CFD subject to the special tax commencing in FY 19/20 include Douglas 98, Grantline 208, and Sunridge Lot J.

## ATTACHMENT

1. Ordinance

**ATTACHMENT 1**

**ORDINANCE NO. XX-2018**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, LEVYING A SPECIAL TAX WITHIN COMMUNITY FACILTIES DISTRICT**

**Community Facilities District No. 2018-2**
**(Community Places and Neighborhood Greens)**

**WHEREAS**, the City Council of the City of Rancho Cordova (“City Council”) adopted a resolution entitled "A Resolution of the City of Rancho Cordova of Intention to Establish a Community Facilities District and Future Annexation Area (the "Resolution of Intention"), has conducted proceedings (the "Proceedings") to establish City of Rancho Cordova Community Facilities District No. 2018-2 (Community Places and Neighborhood Greens) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act") to finance certain public services (the "Services) as provided in the Act; and

**WHEREAS**, pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax ("Special Tax") to be levied within the CFD to finance the Services and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair public hearing was held; and

**WHEREAS**, upon the conclusion of the hearing, this City Council adopted its Resolution of the City Council of the City of Rancho Cordova of Formation of Community Facilities District (the "Resolution of Formation”) pursuant to which it completed the Proceedings for the establishment of the CFD, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

**WHEREAS**, on September 17, 2018, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN** as follows:

**Section 1.** By the passage of this Ordinance, the Council hereby authorizes and levies the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and method is by this reference incorporated herein. The Special Tax is hereby levied commencing in fiscal year 2019-20 and in each fiscal year thereafter to pay for the Services for the CFD, as contemplated by the Resolution of Formation and the Proceedings and all costs of administering the CFD.

**Section 2.** The Chief Financial Officer of the City or designee or employee thereof of the City is hereby authorized and directed each fiscal year to determine the specific Special Tax to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

**Section 3.** Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall the Special Tax be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

**Section 4.** All of the collections of the Special Tax shall be used as provided in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of the Services, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the Special Tax.

**Section 5.** The Special Tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolution(s) of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent Special Tax payments. The Chief Financial Officer of the City is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Sacramento in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be included on the secured property tax roll of the County of Sacramento for fiscal year 2019-20 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the City.

**Section 6.** If for any reason any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

**Section 7.** The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

**Section 8.** This Ordinance shall go into effect immediately following its second reading and adoption, pursuant to Government Code section 36937.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

________________________________

Linda Budge, Mayor

**ATTEST:**

________________________________

Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician

**SUBJECT: APPROVAL OF THE ANNEXATION BOUNDARY MAP FOR THE EUROPEAN PARTS DEPOT PROJECT AND ANNEXATION TO THE CITY OF RANCHO CORDOVA COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE)**

## RECOMMENDATION

Adopt the Resolution.

## RESULT OF RECOMMENDED ACTION

Adoption of the Resolution approves Annexation Boundary Map No. 26 for the European Parts Depot Project and Annexation of the Property to Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance, hereinafter "CFD No. 2008-1"). There is no financial impact to existing residents.

## BACKGROUND

On October 6, 2008, the City adopted a resolution of intention to establish a Community Facilities District (CFD) and Future Annexation Area for Citywide street lighting and road maintenance services. On November 17, 2008, the City adopted the Resolution forming CFD No. 2008-1 pursuant to the Mello-Roos Community Facilities Act of 1982 per State of California Government Code Section 5311 et seq. (the "Act"). The Resolution of Intention provided that parcels in the Future Annexation Area for the District shall be annexed into the District without the need for additional noticing and public hearings as long as the owners of the annexed parcels unanimously approved the annexation. Thus, the annexation process for projects within the Future Annexation Area consists of receiving a petition and waiver from the property owner(s), the City Council approving the Annexation Boundary Map by resolution, followed by the recording of the Boundary Map and Notice of Special Tax Lien by the City Clerk.

## DISCUSSION

The European Parts Depot project was conditioned to annex to CFD No. 2008-1 to provide funding for maintenance services including the maintenance, repair, replacement and lighting of public streets and roads and appurtenant facilities in the public right of way. On September 9, 2018 the property owner signed a Petition with Waivers of the annexation to CFD No. 2008-1. Adoption of the attached Resolution approves Annexation Boundary Map No. 26 for the project, approves the annexation of the Property into the CFD, and directs the Clerk to execute and record the Map and Notice of Special Tax Lien for the Property.

## FISCAL IMPACT

There is no fiscal impact to the City's General Fund.

## ATTACHMENT

1. Resolution
2. Exhibit A to the Resolution
3. Amended Notice of Special Tax Lien
4. Exhibit A to Attachment 3 – Description of District Services
5. Exhibit B to Attachment 3 – Rate Method of Apportionment of Special Tax
6. Exhibit C to Attachment 3 - APNS

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING THE ANNEXATION BOUNDARY MAP FOR THE EUROPEAN PARTS DEPOT PROJECT AND ANNEXATION TO THE CITY OF RANCHO CORDOVA COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE)**

**WHEREAS,** on October 6, 2008, the City adopted Resolution No. 108-2008 declaring its intention to establish Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (the "District") and Future Annexation Area for maintenance of street lighting and road maintenance services. On November 17, 2008, the City adopted Resolution No. 129-2008 forming CFD No. 2008-1 pursuant to the Mello-Roos Community Facilities Act of 1982 per State of California Government Code Section 5311 et seq. (the "Act"); and

**WHEREAS,** the resolution of intention to form the District provided for a more efficient process for the annexation of property into the District when the property owners have provided for their unanimous consent of said annexation process by submitting a petition, consent and waiver from the property owner(s); and

**WHEREAS,** on September 9, 2018 the property owner of the subject property signed a Petition with Waivers form which irrevocably consents to and votes in favor of the annexation of the property to the District and the levy of the special tax on the property to finance the services of the CFD in accordance with the Rate and Method of the District; and

**WHEREAS,** in the case of annexation proceedings, pursuant to Streets and Highways Code Section 3110.5 a separate map of the area proposed to be annexed is required to be prepared and adopted; and

**WHEREAS,** City staff has caused to be prepared Annexation Boundary Map No. 26 for the property known as European Parts Depot Project, EXHIBIT A attached hereto, for the annexation of the property CFD No. 2008-1 (Street Lighting and Road Maintenance).

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

1. The above recitals are true and correct, and the Council so finds and determines.
2. Council approves Annexation Boundary Map No. 26 and finds and determines that the territory shown in the Boundary Map is hereby added to and made a part of the District with full legal effect;
3. The City Clerk is directed to execute and record Annexation Boundary Map No. 26 in the office of the County Recorder of Sacramento County no later than 15 days after the adoption of this resolution;
4. The City Council finds and determines that a special tax shall be levied within the Territory to be annexed and which special tax shall be the same as the tax to be levied within the District. Collection of said tax shall commence in Fiscal Year

**ATTACHMENT 1**

2018-19, and the rate and method of apportionment of said tax shall be as set forth in the Resolution of Formation of the District.

5. The City Clerk is directed to execute and record a Notice of Special Tax Lien in substantially the same form as shown in Attachment 2, attached hereto, in the office of the County Recorder of Sacramento County not later than 15 days after recordation of the Annexation Map No. 26.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October 2018, by the following vote of the City Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

___________________________________
Linda Budge, Mayor

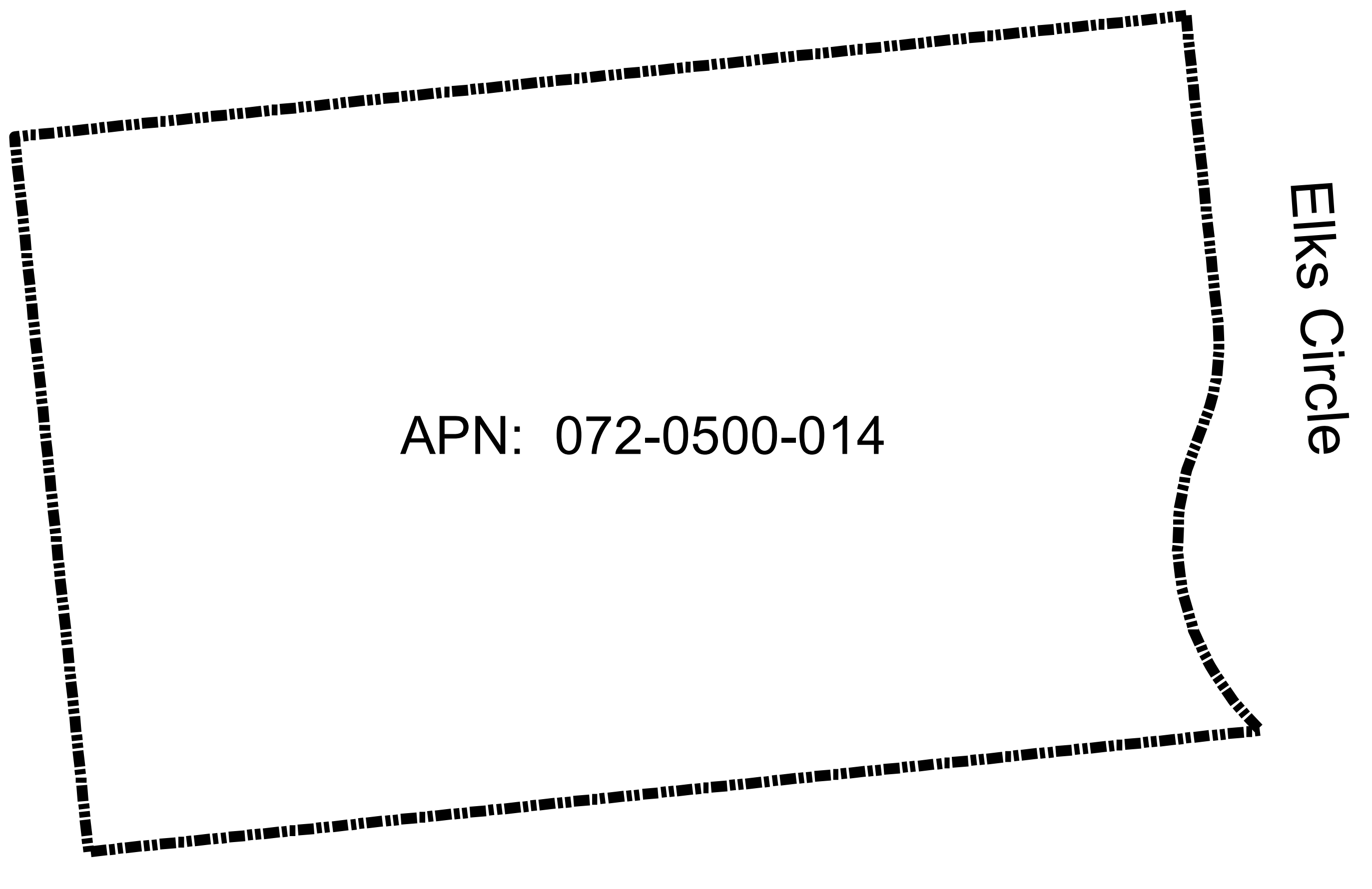
**ATTEST:**

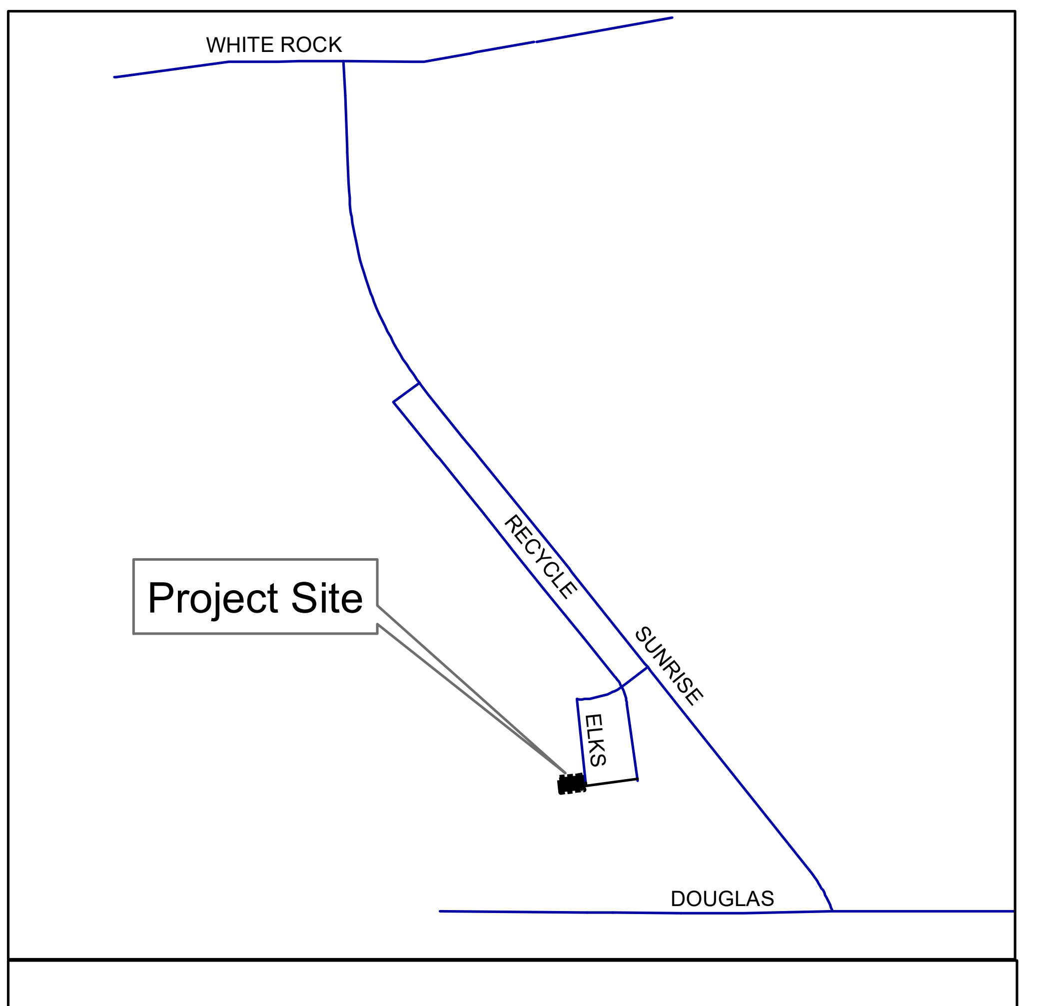
___________________________________
Stacy Leitner, City Clerk

# ANNEXATION MAP NO. 26
# EUROPEAN PART DEPOT PROJECT

## COMMUNITY FACILITIES DISTRICT NO. 2008-1
## (STREET LIGHTING AND ROAD MAINTENANCE)

### CITY OF RANCHO CORDOVA
### COUNTY OF SACRAMENTO, STATE OF CALIFORNIA




**LOCATION MAP**

CLERK'S MAP STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RANCHO CORDOVA THIS ______ DAY OF ______________ 2018.

_________________________________________
CITY CLERK OF THE CITY OF RANCHO CORDOVA

CLERK'S MAP STATEMENT

I HEREBY CERTIFY THAT THE AREA SHOWN ON THIS MAP OF THE PROPOSED ANNEXATION 26 TO COMMUNITY FACILITIES DISTRICT NO. 2008-1, (STREET LIGHTING AND ROAD MAINTENANCE), CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AT A REGULARLY SCHEDULED MEETING THEREOF, HELD ON THE ____ DAY OF ______________ 2018. BY ITS RESOLUTION NO. _____________.

_________________________________________
CITY CLERK OF THE CITY OF RANCHO CORDOVA

COUNTY RECORDER'S FILING STATEMENT

FILED THIS ______ DAY OF ________________ 2018. AT THE HOUR OF ___________ O'CLOCK ____.M. IN BOOK _______ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

DONNA ALLRED
COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY: _______________________________________________
DEPUTY

FILE: _______________________________________________

REFERENCE IS MADE TO THE ORIGINAL BOUNDARY MAP OF THE DISTRICT, ENTITLED AND RECORDED AS FOLLOWS:

"PROPOSED BOUNDARIES OF THE COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE) AND FUTURE ANNEXATION AREA, RECORDED ON OCTOBER 14, 2008 IN BOOK 110 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA."

REFERENCE IS MADE TO THE FUTURE ANNEXATION AREA MAP OF THE DISTRICT, ENTITLED AND RECORDED AS FOLLOWS:

"PROPOSED FUTURE ANNEXATION AREA OF THE COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE) AND FUTURE ANNEXATION AREA, RECORDED ON OCTOBER 14, 2008 IN BOOK 110 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA."

**Legend**

Annexation Boundary

1 " = 50 '

**ANNEXATION MAP**

**City of Rancho Cordova**
**Community Facilities District No. 2008-1**
**ANNEXATION 26 (EUROPEAN PART DEPO PROJECT) County of Sacramento, California**

**Sheet 1 of 1**

HARRIS & ASSOCIATES
22 EXECUTIVE PARK SUITE 200
IRVINE, CALIFORNIA 92614
800-827-4901

**ATTACHMENT 3**

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670
Attention: City Clerk

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# AMENDED NOTICE OF SPECIAL TAX LIEN

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53311 of the Government Code, the undersigned clerk of the legislative body of the City of Rancho Cordova (the "City"), State of California, hereby gives notice that a lien to secure payment of special taxes is hereby imposed by the City Council of the City. The special tax secured by this lien is authorized to be levied for the purpose providing certain public services described in **Exhibit A** attached hereto and hereby made a part hereof.

The special taxes are authorized to be levied within Annexation Map No. 25 (the "Annexed Area") of the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (the "CFD"), which has now been officially annexed to the District, and the lien of the special taxes are a continuing lien which shall secure each annual levy of the special taxes and which shall continue in force and effect until the special taxes cease to be levied and a notice of cessation of special taxes is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of authorized special tax is as set forth in **Exhibit B** attached hereto and hereby made a part hereof. The obligation to pay the special tax may not be prepaid and permanently satisfied and the lien of the special taxes canceled.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levies shall become a lien upon all nonexempt real property within the District in accordance with Section 3115.5 of the Streets and Highways Code.

The name of the owner and the assessor's tax parcel number(s) of the real property included within the District and not exempt from the special tax are as set forth in **Exhibit C** attached hereto.

Reference is hereby made to the Notice of Special Tax Lien with respect to the District recorded on December 2, 2008, as Document No. 20081202, Page 0781 in the office of the County Clerk & Recorder of the County of Sacramento, California, which

**ATTACHMENT 3**

contains a list of the then existing owners and assessor tax parcel numbers of the original boundaries of the District.

Reference is made to the boundary map of the District recorded at Book 110 of Maps of Assessment and Community Facilities Districts at Page 10 (Document No. 20081014-0822), in the office of the County Recorder for the County of Sacramento, State of California (the “ Original Boundary Map”), and the map of the Annexed Territory recorded at Book 126, Page 0001, Document No. 201807170446 in the Office of the County Recorder for the County of Sacramento, State of California, which map together with the Original Boundary Map and the boundary maps of record for all prior annexations, are now the final boundary maps of the Community Facilities District including the Annexed Territory.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Department of Public Works of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670.

Date: ______________________

By: __________________________

Stacy Leitner, City Clerk
City of Rancho Cordova

# ATTACHMENT 4
# Exhibit A to Notice of Special Tax Lien

## EXHIBIT A

**CITY OF RANCHO CORDOVA**
**COMMUNITY FACILITIES DISTRICT NO. 2008-1**
**(STREET LIGHTING AND ROAD MAINTENANCE)**

**DESCRIPTION OF DISTRICT SERVICES**

Description of services:

**Maintenance and lighting of public streets and roads**

- Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the street improvements, the street-lighting network, dedicated easements, and appurtenant facilities, and administration and overhead of all aspects of the District.

**Reserve Fund**

- The Special Taxes may be collected and set-aside in designated funds, collected over several years, that may be used by the District to fund future repairs to street lighting and roadway improvements and other services as determined by the District.

# ATTACHMENT 5
# Exhibit B to Notice of Special Tax Lien

## EXHIBIT B

**CITY OF RANCHO CORDOVA**
**COMMUNITY FACILITIES DISTRICT NO. 2008-1**
**(STREET LIGHTING AND ROAD MAINTENANCE)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

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A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2008-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2008-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2008-1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

## A. <u>DEFINITIONS</u>

The terms hereinafter set forth have the following meanings:

**"Acreage"** or **"Acre"** means the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map or other parcel map recorded at the County Recorder's Office.

**"Additional Load and Decorative Lighting Parcel"** means any Parcel that is determined by the City to be both an Additional Load Parcel and a Decorative Lighting Parcel.

**"Additional Load Parcel"** means any Parcel of Commercial Property or Industrial Property that is determined by the City to create excessive wear and tear on the roadways and/or a high volume of vehicular traffic.

**"Administrative Expenses"** means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports, and any other costs required to administer the CFD.

**"Administrator"** means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

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

**ATTACHMENT 5**
**Exhibit B to Notice of Special Tax Lien**

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

**"Authorized Services"** means the public services authorized to be funded by CFD No. 2008-1 as set forth in the documents adopted by the City Council when the CFD was formed.

**"CFD"** or **"CFD No. 2008-1"** means the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).

**"City"** means the City of Rancho Cordova.

**"City Council"** means the City Council of the City of Rancho Cordova, acting as the legislative body of CFD No. 2008-1.

**"Commercial Property"** means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for a commercial establishment which includes, but is not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), restaurants, supermarkets, hospitals, movie theaters, appliance and electronic stores, home supply stores, auto parts stores, and other businesses providing auto-related products and services. The City shall make the determination if a Parcel is Commercial Property.

**"County"** means the County of Sacramento.

**"Decorative Lighting Parcel"** means any Parcel of Developed Property that is determined by the City to have or benefit from decorative lighting features.

**"Developed Property"** means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential or non-residential structure (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 30 of the preceding Fiscal Year.

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

**"Hotel Property"** means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for a structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

**"Industrial Property"** means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for construction of an industrial, manufacturing, or warehousing structure. The City shall make the determination if a Parcel is Industrial Property.

**"Maximum Special Tax"** means the greatest amount of Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Section C below.

**"Multi-Family Property"** means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor's Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

**"Non-Residential Property"** means, collectively, Commercial Property, Hotel Property, Industrial Property, and Office Property.

**"Office Property"** means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for a building in which professional, banking, insurance, real estate, administrative or in-office medical or dental activities are conducted. The City shall make the determination if a Parcel is Office Property.

**"Ordinary Use Parcel"** means any Parcel of Taxable Property that is not an Additional Load Parcel, Decorative Lighting Parcel, Residential Alley Parcel, Additional Load and Decorative Lighting Parcel, or Residential Alley and Decorative Lighting Parcel.

**"Proportionately"** means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Parcels of Developed Property.

**"Public Property"** means any property within the boundaries of CFD No. 2008-1 that is owned by the federal government, State of California, County, City, or other public agency.

**"Residential Alley and Decorative Lighting Parcel"** means any Parcel that is determined by the City to be both a Residential Alley Parcel and a Decorative Lighting Parcel.

**"Residential Alley Parcel"** means any Parcel of Residential Property that is determined by the City to have residential alleys that are part of the public roadways.

**"Residential Property"** means, collectively, Single Family Attached Property, Single Family Detached Property, and Multi-Family Property.

**"Single Family Attached Property"** means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and are offered as for-sale Units (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit(s)), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

**"Single Family Detached Property"** means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

**"Special Tax Requirement"** means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected.

**"Special Tax"** means a special tax levied in any Fiscal Year on property within CFD No. 2008-1 to pay the Special Tax Requirement.

**"Square Foot," "Square Footage,"** or **"Square Feet"** means the building square footage reflected on the original building permit issued for construction of a building.

**"Taxable Property"** means all Assessor's Parcels within the boundaries of CFD No. 2008-1 which are not exempt from the Special Tax pursuant to law or Section E below.

**"Taxable Public Property"** means, in any Fiscal Year, all Assessor's Parcels in CFD No. 2008-1 that had, in prior Fiscal Years, been taxed as Developed Property and subsequently came under the ownership of a public agency.

**"Tax Zone"** means one of the three mutually exclusive tax zones identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax, as may be updated to include new Parcels or new tax zones added to the CFD as a result of future annexations.

**"Tax Zone 1"** means the geographic area that is identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 1 and any property annexed into Tax Zone 1 after formation of the CFD.

**"Tax Zone 2"** means the geographic area that is identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 2 and any property annexed into Tax Zone 2 after formation of the CFD.

**"Tax Zone 3"** means the geographic areas that are identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 3 and any property annexed into Tax Zone 3 after formation of the CFD.

**"Unit"** means an individual single-family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure. Unit shall also mean a single room or unit on a Parcel of Hotel Property.

## B. DATA COLLECTION FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within CFD No. 2008-1 and shall determine within which Tax Zone each Assessor's Parcel is located. Upon each annexation of property into CFD No. 2008-1, the Administrator shall update Attachment 1 to include the new Assessor's Parcel number(s). In addition, for all Parcels of Developed Property, if applicable to the Tax Zone in which the

Parcels are located, the Administrator shall determine if each Parcel is an Ordinary Use Parcel, an Additional Load Parcel, a Residential Alley Parcel, a Decorative Lighting Parcel, an Additional Load and Decorative Lighting Parcel, or a Residential Alley and Decorative Lighting Parcel.

Based on review of building permit records for property within the CFD, the Administrator shall determine which Parcels in the CFD are Developed Property for purposes of levying the Special Tax pursuant to Section D below. For Single Family Attached Property, Multi-Family Property, and Hotel Property, the number of Units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan for the property. For Residential Property, the Administrator shall determine the Square Footage of each Unit. For Non-Residential Property, the Administrator shall determine the Acreage of, and Square Footage on, each Parcel.

If a Parcel in the CFD is rezoned prior to such Parcel becoming Developed Property, the City may in its sole discretion, move the Parcel to a different Tax Zone based on the rezone. If a Parcel rezones after the Parcel has been taxed as Developed Property in prior Fiscal Years, the City can either continue to apply the Maximum Special Tax to the Parcel that had applied prior to the rezone or, in the City's sole discretion, allow for the Parcel to be moved to a different Tax Zone based on the rezone.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2008-1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## C. MAXIMUM SPECIAL TAX

### 1. Tax Zone 1

The Maximum Special Tax for a Parcel of Developed Property in Tax Zone 1 for Fiscal Year 2008-09 shall be $0.0771 per Square Foot. On each January 1, commencing January 1, 2009, this Maximum Special Tax shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

### 2. Tax Zone 2

The Maximum Special Tax for a Parcel of Developed Property in Tax Zone 2 for Fiscal Year 2008-09 shall be $0.0211 per Square Foot. On each January 1, commencing January 1, 2009, this Maximum Special Tax shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

### 3. Tax Zone 3

The following Maximum Special Taxes apply to all Parcels of Developed Property within Tax Zone 3 of CFD No. 2008-1:

#### *a. Ordinary Use Parcels*

**MAXIMUM SPECIAL TAXES**
**ORDINARY USE PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | $335.81 per Unit |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | $295.51 per Unit |
| Single Family Attached Property | Units greater than 1,200 Square Feet | $295.51 per Unit |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | $235.06 per Unit |
| Multi-Family Property | N/A | $235.06 per Unit |
| Commercial Property | N/A | The greater of $973.30 per Acre or $0.0944 per Square Foot |
| Hotel Property | N/A | The greater of $2,688.49 per Acre or $56.98 per Unit |
| Industrial Property | N/A | The greater of $222.20 per Acre or $0.0351 per Square Foot |
| Office Property | N/A | The greater of $851.74 per Acre or $0.0827 per Square Foot |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

***b. Residential Alley Parcels***

**MAXIMUM SPECIAL TAXES**
**RESIDENTIAL ALLEY PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | $463.41 per Unit |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | $407.80 per Unit |
| Single Family Attached Property | Units greater than 1,200 Square Feet | $407.80 per Unit |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | $324.39 per Unit |
| Multi-Family Property | N/A | $324.39 per Unit |
| Commercial Property | N/A | N/A |
| Hotel Property | N/A | N/A |
| Industrial Property | N/A | N/A |
| Office Property | N/A | N/A |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

*c. Decorative Lighting Parcels*

**MAXIMUM SPECIAL TAXES**
**DECORATIVE LIGHTING PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | $360.99 per Unit |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | $317.67 per Unit |
| Single Family Attached Property | Units greater than 1,200 Square Feet | $317.67 per Unit |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | $252.69 per Unit |
| Multi-Family Property | N/A | $252.69 per Unit |
| Commercial Property | N/A | The greater of $1,046.30 per Acre or $0.1015 per Square Foot |
| Hotel Property | N/A | The greater of $2,890.13 per Acre or $61.25 per Unit |
| Industrial Property | N/A | The greater of $238.87 per Acre or $0.0377 per Square Foot |
| Office Property | N/A | The greater of $915.62 per Acre or $0.0889 per Square Foot |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

**ATTACHMENT 5**
**Exhibit B to Notice of Special Tax Lien**

*d. Additional Load Parcels*

**MAXIMUM SPECIAL TAXES**
**ADDITIONAL LOAD PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | N/A |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | N/A |
| Single Family Attached Property | Units greater than 1,200 Square Feet | N/A |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | N/A |
| Multi-Family Property | N/A | N/A |
| Commercial Property | N/A | The greater of $1,216.63 per Acre or $0.1180 per Square Foot |
| Hotel Property | N/A | N/A |
| Industrial Property | N/A | The greater of $277.75 per Acre or $0.0439 per Square Foot |
| Office Property | N/A | N/A |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

*e. Additional Load and Decorative Lighting Parcels*

**MAXIMUM SPECIAL TAXES**
**ADDITIONAL LOAD AND DECORATIVE LIGHTING PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | N/A |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | N/A |
| Single Family Attached Property | Units greater than 1,200 Square Feet | N/A |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | N/A |
| Multi-Family Property | N/A | N/A |
| Commercial Property | N/A | The greater of $1,289.63 per Acre or $0.1251 per Square Foot |
| Hotel Property | N/A | N/A |
| Industrial Property | N/A | The greater of $294.42 per Acre or $0.0465 per Square Foot |
| Office Property | N/A | N/A |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

*f. Residential Alley and Decorative Lighting Parcels*

**MAXIMUM SPECIAL TAXES**
**RESIDENTIAL ALLEY AND DECORATIVE LIGHTING PARCELS**
**(FISCAL YEAR 2008-09)**

| Land Use Class | Square Footage | Maximum Special Tax |
|---|---|---|
| Single Family Detached Property | Units greater than 1,200 Square Feet | $488.60 per Unit |
| Single Family Detached Property | Units less than or equal to 1,200 Square Feet | $429.97 per Unit |
| Single Family Attached Property | Units greater than 1,200 Square Feet | $429.97 per Unit |
| Single Family Attached Property | Units less than or equal to 1,200 Square Feet | $342.02 per Unit |
| Multi-Family Property | N/A | $342.02 per Unit |
| Commercial Property | N/A | N/A |
| Hotel Property | N/A | N/A |
| Industrial Property | N/A | N/A |
| Office Property | N/A | N/A |

*On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.*

## D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied as follows until the amount of the levy equals the Special Tax Requirement for that Fiscal Year:

***First:*** The Special Tax shall be levied proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax determined for each category of Developed Property within each Tax Zone until the amount levied is equal to the Special Tax Requirement for the Fiscal Year.

***Second:*** If additional revenue is needed after the first step has been completed, the Special Tax shall be levied proportionately on each Parcel of Taxable Public Property up to 100% of the Maximum Special Tax that would have applied to the Parcel had the Parcel not become Public Property until the amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for CFD No. 2008-1 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2008-1 financial obligations and the Special Tax shall be equally subject to foreclosure if delinquent.

## E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on (i) any Parcel of Public Property that is not Taxable Public Property, and (ii) any Parcel in CFD No. 2008-1 that is not Developed Property.

## F. INTERPRETATION OF SPECIAL TAX FORMULA

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 of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

**ATTACHMENT 5**
**Exhibit B to Notice of Special Tax Lien**

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**
**COMMUNITY FACILITIES DISTRICT 2008-1**
**(STREET LIGHTING AND ROAD MAINTENANCE)**

**IDENTIFICATION OF TAX ZONES**

| Tax Zone | Assessor's Parcels Included in Tax Zone * | Fiscal Year In Which Property Was Added to CFD No. 2008-1 |
|---|---|---|
| 1 | 077-0050-085 | 2008-09 |
| 2 | 067-0010-060 | 2008-09 |
| 3 | 067-0990-001 | 2008-09 |
| | 067-1000-001 | 2008-09 |
| | 072-0500-040 | 2008-09 |
| | 072-0500-041 | 2008-09 |

***  The property identified by the Assessor's Parcel Numbers listed above shall remain part of the identified Tax Zone regardless of changes in the configuration of the Assessor's Parcels or changes to APNs in future Fiscal Years.  As APNs change, the City may update Attachment 1 to reflect the most current APNs.***

**ATTACHMENT 6**
**Exhibit C to Notice of Special Tax Lien**

**EXHIBIT C**

**CITY OF RANCHO CORDOVA**
**COMMUNITY FACILITIES DISTRICT NO. 2008-1**
**(STREET LIGHTING AND ROAD MAINTENANCE)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND WITHIN COMMUNITY FACILITIES DISTRICT**

| Assessor's Parcel Nos. | Names of Property Owners |
|---|---|
| 072-0500-014 | Matsoyan, LLC |

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician

**SUBJECT:** **A RESOLUTION DECLARING THE CITY'S INTENTION TO IMPOSE AN ANNUAL STORMWATER UTILITY FEE FOR THE MAINTENANCE OF STORM DRAINAGE AND FLOOD PROTECTION SYSTEMS FOR THE EUROPEAN PARTS DEPOT PROJECT**

## RECOMMENDATION

Adopt the Resolution designating a time and place for hearing protests in connection with the annual Stormwater Utility Fee for the European Parts Depot project.

## RESULT OF RECOMMENDED ACTION

Action on this item will declare the Council's intention to impose the annual Stormwater Utility Fee for the maintenance of the storm drainage and flood protection system for the European Parts Depot project and sets a public hearing for October 15, 2018 on the matter.

## BACKGROUND

The Council has previously approved the European Parts Depot project with a condition of approval which requires that the property owner fund operation and maintenance of the storm drainage system. This condition will be satisfied by participation in the City's Stormwater Utility Fee for storm drainage and flood protection services which is the subject of this action.

Previously, projects were required to annex to the County's Stormwater Utility. Since the City has taken over drainage maintenance and operations services from the County, it was necessary to establish the Stormwater Utility District to fund drainage services to ensure compliance with new state and federal laws and regulations. The Stormwater Utility Fee was established on September 2, 2014 by Ordinance No. 7-2014.

## DISCUSSION

The property owner has submitted a petition and waiver for the City to institute the proceedings to impose the Stormwater Utility Fee. The European Parts Depot parcel is being annexed into the Stormwater Utility Fee (see ATTACHMENT 1). The maintenance services to be funded include the furnishing of services and materials for the ordinary and usual operation, maintenance, and servicing of the storm drain and flood protection improvements.

A “Rate Analysis Report” was adopted on September 2, 2014 by Resolution No. 103-2014. The report calculated the Fiscal Year 2014/2015 maximum annual Stormwater Utility Fee amount for each parcel proportionate to the estimated stormwater runoff for each parcel. The maximum annual fee increases each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the San Francisco-Oakland-San Jose areas, published by the United States Department of Labor, Bureau of Labor Statistics.

A sample of the annual Stormwater Utility Fees for Fiscal Year 2018-2019 are summarized in the following table:

**Table 1**

| Land Use Description | Total Area (acres) | Sample Fee |
|---|---|---|
| Single Family Residential (SFR1) | 0.16 | $125.98 |
| Single Family Residential (SFR2) | 0.22 | $138.57 |
| Single Family Residential (SFR3) | 0.30 | $148.03 |
| Single Family Residential (SFR4) | 0.40 | $157.46 |
| Single Family Residential (SFR5) | 1.00 | $157.46 |
| Multi-Family Residential (MFR1) | 5.00 | $1102.35 |
| Commercial | 1.00 | $1181.10 |
| Industrial | 1.00 | $1259.85 |
| Schools | 5.00 | $787.40 |
| Private Recreation | 1.00 | $393.69 |
| Parks/Greenbelts | 2.00 | $157.46 |
| Public Property (with structures) | 2.00 | $472.43 |

ATTACHMENT 2 is a Resolution which sets 5:30 p.m., or as soon thereafter as possible, on October 15, 2018 as the time and date for a hearing on the matters set forth therein and directs the City Clerk to give notice of the public hearing. Notice of the Public Hearing will be published in the Grapevine Independent as required by law. Furthermore, a notice of the hearing will be mailed to each property owner within the proposed Stormwater Utility Fee area.

**ATTACHMENTS**

1. Annexation Map
2. Resolution
3. Exhibit A to the Resolution - Procedures

**ATTACHMENT 1**

CITY OF RANCHO CORDOVA
STORMWATER UTILITY FEE AREA
ANNEXATION 17
(EUROPEAN PART DEPOT
PROJECT)

**ATTACHMENT 2**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFONIA, DESIGNATING A TIME AND PLACE FOR HEARING PROTESTS IN CONNECTION WITH THE ANNUAL STORMWATER UTILITY FEE FOR EUROPEAN PARTS DEPOT PROJECT**

**WHEREAS,** the Stormwater Utility Fee was established on September 2, 2014 by Ordinance No. 7-2014 to fund services and facilities furnished by the City in connection with its storm drain system. The Proposed Stormwater Utility Fee may be billed through the County Utility Billing Service (CUBS) as part of the consolidated utility bill or may be collected on the County of Sacramento tax roll, commencing in Fiscal Year 2018-19, in the same manner, by the same persons, and at the same time as, together with and not separately from, the general taxes of the City in the manner prescribed by Sections 5471 et seq. of the California Health and Safety Code; and

**WHEREAS,** this Council has caused a written report entitled, "Rate Analysis Report", dated August 7, 2014, (the "Written Report") prepared by Harris & Associates and filed with the City Clerk containing a description of each parcel of real property within the City to which the Proposed Stormwater Utility Fee is applicable (collectively, the "Identified Parcels") and the amount of the Proposed Stormwater Utility Fee for each such Identified Parcel for Fiscal Year 2014-15. The Written Report is on file in the office of the City Clerk and is available for public inspection; and

**WHEREAS**, this Council has received petitions and waivers from the owners of 100% of the area of land proposed to be included in the Proposed Stormwater Utility Fee; and

**WHEREAS,** Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, et seq.) (the "Implementation Act") imposes certain procedural and substantive requirements relating to the imposition of property-related fees and charges (as defined in Article XIII D), such as the Proposed Stormwater Utility Fee, including the requirement to conduct a protest hearing and balloting for consideration of the Proposed Stormwater Utility Fee. In accordance with Article XIII D and the Implementation Act, the City Council hereby approves the "Procedures for the Conduct of a Protest Hearing and Balloting Relating to a Proposed Stormwater Utility Fee" as set forth in Exhibit "A," attached hereto and incorporated herein by reference (the "Procedures").

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

**1.** The foregoing recitals are true and correct.

**2.** Notice is hereby given that the City Council designates Monday, October 15, 2018 at the hour of 5:30 p.m., in the Council Chambers, City Hall, 2729 Prospect Park Drive, Rancho Cordova, California, as the time and place for a public hearing on the above-described written report and protests or objections to the imposition of the proposed Stormwater Utility Fee.

**ATTACHMENT 2**

At the above-described public hearing, all interested persons shall be afforded the opportunity to hear and be heard, and the City Council shall consider all protests against the Proposed Stormwater Utility Fee. If written protests against the Stormwater Utility Fee are presented by a majority of owners of the Identified Parcels, the City shall not impose the Proposed Stormwater Utility Fee. In the absence of a majority protest, the City Council may submit the Proposed Stormwater Utility Fee to a vote of the property owners in accordance with Article XIII D of the California Constitution.

**3.** The City Clerk is hereby authorized and directed to give notice of the above-described public hearing in accordance with law and the Procedures.

**4.** Reference is hereby made to the Written Report described in Section 2 hereof, which is on file in the office of the City Clerk, for a full and detailed description of the Proposed Stormwater Utility Fee upon parcels of land within the City.

**5.** The City Council hereby designates Elizabeth Sparkman, Community Development Director, telephone number, (916) 851-8750 to answer inquiries regarding the public hearing, protest proceedings and procedural or technical matters.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

**ATTACHMENT 3**
**Exhibit A to the Resolution**

**EXHIBIT "A"**

**PROCEDURES FOR THE CONDUCT OF A PROTEST HEARING AND VOTE RELATING TO A PROPOSED STORMWATER UTILITY FEE**

*The following Procedures have been adopted by the City Council of the City of Rancho Cordova for the purpose of conducting a protest hearing required by Article XIII D of the California Constitution for consideration of the imposition of a proposed* Stormwater Utility Fee *(the "Proposed* Stormwater Utility Fee *").*

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## A. Written Report

The City shall cause to be prepared a written report ("Written Report"), which shall contain a list of all parcels to which the Proposed Stormwater Utility Fee will apply (the "Identified Parcels") and the amount of the Proposed Stormwater Utility Fee for each Identified Parcel for Fiscal Year 2017-2018.

The Written Report shall be placed on file in the office of the City Clerk prior to the mailing of the Notice of Public Hearing on the Proposed Stormwater Utility Fee and shall remain available for public inspection.

## B. Notice of the Public Hearing on the Proposed Stormwater Utility Fee

Notice of the public hearing on the Proposed Stormwater Utility Fee shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the public hearing to the Record Owner of each Identified Parcel. The forty-five (45) day requirement may be waived with the unanimous consent of the property owners.

**ATTACHMENT 3**
**Exhibit A to the Resolution**

"Record Owner" means the owner of an Identified Parcel whose name and address appears on the last Sacramento County equalized secured property tax assessment roll (the "Assessment Roll"), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.

Notices shall be mailed to the Record Owners of the Identified Parcels, addressed to the names and addresses as they appear on the Assessment Roll, and, in the case of any public entity, the State of California, or the United States, addressed to the public entity at the address of that entity known to the City. In addition, notices shall be mailed to owners of the Identified Parcels, addressed to the names and addresses known to the City Clerk, if different than shown on the Assessment Roll.

Each mailed notice shall contain all of the following:

· A reference to filing of the Written Report;

· A reference to the proposed ordinance imposing the Proposed Stormwater Utility Fee and providing for the collection of the Fee on the County tax roll;

· The amount of the Proposed Stormwater Utility Fee to be imposed upon the Identified Parcel covered by the notice;

· The basis upon which the amount of the Proposed Stormwater Utility Fee was calculated;

· The reason for the Proposed Stormwater Utility Fee;

· A statement that the Proposed Stormwater Utility Fee may be collected as part of a consolidated utility bill via CUBS or on the County of Sacramento tax roll each year, commencing with Fiscal Year 2018-2019;

· The effect of a majority protest; and

· The date, time and location of a public hearing on the Proposed Stormwater Utility Fee.

The City Clerk, or the designee of the City Clerk, may certify the proper mailing of notices by an affidavit, which shall constitute conclusive proof of mailing in the absence of fraud.

Failure of any person to receive notice shall not invalidate the proceedings.

Notice of the filing of the Written Report and the public hearing shall be published once a week for two successive weeks in the Grapevine Independent, with the first publication at least fourteen (14) days prior to the date of the public hearing, and with at least five (5) days intervening between the first and second publications. The published notice may be waived by unanimous consent of the property owners.

**C. Eligibility to File a Protest**

The Assessment Roll shall be presumptive evidence of ownership of an Identified Parcel for protest purposes.

If the owner of any Identified Parcel is not shown on the Assessment Roll, such owner may file a protest for such parcel by filing with the City Clerk a proxy from the Record Owner in a form satisfactory to the City Attorney or evidence of ownership satisfactory to the City Attorney. Any such proxy or evidence must be received by the City Clerk prior to the conclusion of the public hearing.

When an Identified Parcel is held by a partnership, as community property, in joint tenancy, or as a tenancy in common, any partner, spouse, joint tenant, or tenant in common, as the case may be, may file a protest for such parcel.

An executor, administrator, or guardian may file a protest for an Identified Parcel on behalf of the estate it represents. If such representative is shown on the Assessment Roll as paying taxes and assessments levied against the parcel, that fact shall establish the right of such representative to file the protest. If such representative is not shown on the Assessment Roll, the representative must file with the City Clerk written documentation satisfactory to the City Attorney establishing the legal representation. Any such documentation must be filed with the City Clerk prior to the conclusion of the public hearing.

When an Identified Parcel is held by a corporation or unincorporated association, a protest may be filed by any person authorized in writing by the board of directors or trustees or other managing body thereof to take such actions. The corporation or unincorporated association must file with the City Clerk written authorization satisfactory to the City Attorney. Any such written authorization must be filed with the City Clerk prior to the conclusion of the public hearing.

**D. <u>Submission of Written Protests</u>**

Written protests may be mailed (via U.S. mail) to the City Clerk at City Hall or delivered in person to the City Clerk at City Hall or at the public hearing.

No protests delivered via e-mail will be counted for purposes of determining whether a majority protest exists, but the City Council may, in its discretion, consider such protests in making determinations regarding the Proposed Stormwater Utility Fee

Each written protest must identify the property covered by the protest and be signed.

No protest received after the close of the public hearing shall be counted in determining the existence of a majority protest. The last pick up by the City Clerk of protests mailed or delivered to City Hall will occur at 5:30 p.m. on the date scheduled for the public hearing. To ensure that protests which are mailed or delivered to City Hall are received by the City Clerk prior to the close of the public hearing, such protests must be received by the City Clerk at City Hall prior to 5:30 p.m. on the date scheduled for the public hearing. The City Clerk shall endorse on each written protest the date it is filed with the City. The City Clerk shall identify any protests which are received after the close of the public hearing.

Written protests may be withdrawn in writing at any time before the conclusion of the public hearing by the person who submitted the written protest.

For purposes of determining whether a majority protest exists, only one protest for each Identified Parcel will be counted.

All written protests shall be considered public records.

**E. Conduct of the Public Hearing; Determination of a Majority Protest**

1. At the time, date and place fixed for the public hearing, the City Council shall:

   (i) Conduct a public hearing pertaining to the Proposed Stormwater Utility Fee;

   (ii) Hear all persons interested in the matter of the Proposed Stormwater Utility Fee; and

   (iii) Receive all written communications regarding the Proposed Stormwater Utility Fee.

2. The public hearing may be continued from time to time, as the City Council determines is necessary to complete its consideration of the Proposed Stormwater Utility Fee.
3. If the City Council determines at the close of the public hearing that written protests have been presented, and not withdrawn, by a majority of owners of the Identified Parcels (i.e., there is a majority protest), the Proposed Stormwater Utility Fee shall not be approved.
4. If the City Council determines at the close of the public hearing that there is not a majority protest, the City Council may:

   (i) Remedy and correct any clerical error in the Written Report or otherwise modify the Written Report; provided that any such modification or correction shall not result in a Proposed Stormwater Utility Fee for any Identified Parcel which is greater than the amount shown in the notice of the public hearing that was mailed to the Record Owner of the Identified Parcel;

   (ii) Confirm the Written Report, as originally filed or as amended in accordance with subparagraph (i), above;

   (iii) Adopt a resolution calling for a property owner vote regarding the Proposed Stormwater Utility Fee.

**F. Conduct Property Owner Vote; Determination of a Majority Consent**

Pursuant to Government Code Section 53755.5(c), the proceedings described in this section shall not constitute an election or voting for purposes of Article II of the California Constitution or of the Elections Code.

An election on the Proposed Stormwater Utility Fee shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the election to the Record Owner of each Identified Parcel. The forty-five (45) day requirement may be waived with the unanimous consent of the property owners.

Each mailed ballot shall contain all of the following:

   • On the face of the envelope in which the notice of election and ballot are mailed, there shall appear in substantially the following form in no smaller than 16-point bold type: “OFFICIAL BALLOT ENCLOSED.”

**ATTACHMENT 3**
**Exhibit A to the Resolution**

• The ballot shall include the agency's address for return of the ballot, the date and location where the ballots will be tabulated, and a place where the person returning it may indicate his or her name, a reasonable identification of the parcel, and his or her support or opposition to the proposed fee. The ballots shall be tabulated in a location accessible to the public. The ballot shall be in a form that conceals its content once it is sealed by the person submitting it. The ballot shall remain sealed until the ballot tabulation commences.

No ballot received after the time of the ballot tabulation shall be counted in determining the existence of majority consent. The last pick up by the City Clerk of ballots mailed or delivered to City Hall will occur at 1:30 p.m. on the date scheduled for the election. To ensure that ballots which are mailed or delivered to City Hall are received by the City Clerk prior to the commencement of the ballot tabulation, such ballots must be received by the City Clerk at City Hall prior to 5:30 p.m. on the date scheduled for the ballot tabulation. The City Clerk shall endorse on each ballot the date it is filed with the City. The City Clerk shall identify any ballots which are received after the commencement of the ballot tabulation.

An impartial person designated by the City who does not have a vested interest in the outcome of the proposed fee shall tabulate the ballots submitted in support of or opposition to the proposed fee. An impartial person includes, but is not limited to, the City Clerk. If the City uses City personnel for the ballot tabulation, or if the City contracts with a vendor for the ballot tabulation and the vendor or its affiliates participated in the research, design, engineering, public education, or promotion of the fee, the ballots shall be unsealed and tabulated in public view to permit all interested persons to meaningfully monitor the accuracy of the tabulation process.

The ballot tabulation may be continued to a different time or different location accessible to the public, provided that the time and location are announced at the location at which the tabulation commenced and posted by the City in a location accessible to the public. The impartial person may use technological methods to tabulate the ballots, including, but not limited to, punchcard or optically readable (bar-coded) ballots. During and after the tabulation, the ballots and, if applicable, the information used to determine the weight of each ballot, shall be treated as public records, subject to public disclosure and made available for inspection by any interested person. The ballots shall be preserved for a minimum of two years, after which they may be destroyed.

Majority approval of the Record Owners shall exist if the number of valid ballots in favor of the fee exceeds the number of valid ballots in opposition to the fee.

At the time, date and place fixed for the ballot tabulation, the City Council shall direct the City Clerk to commence the ballot tabulation.

If there is no majority approval, the Stormwater Utility Fee shall not be imposed.

If majority approval exists, the City Council may impose the Stormwater Utility Fee pursuant to the Ordinance.

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician

**SUBJECT:** **A RESOLUTION DECLARING THE RESULTS OF THE MAIL BALLOT ELECTION RELATING TO THE IMPOSITION OF THE ANNUAL STORMWATER UTILITY FEE ON THE DOUGLAS 98 PROJECT IN THE CITY OF RANCHO CORDOVA**

## RECOMMENDATION

Adopt the Resolution declaring the results of the mail ballot election relating to the imposition of the annual Stormwater Utility Fee on the Douglas 98 Project.

## RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will declare the results of the ballot tabulation in connection with the imposition of the annual Stormwater Utility Fee on the Douglas 98 Project. If majority approval exists, the City Council may impose the annual Stormwater Utility Fee on the Douglas 98 Project pursuant to the Fee Ordinance. If there is no majority approval, the Stormwater Utility Fee shall not be imposed for the project.

## BACKGROUND

The City Council previously adopted a Resolution on August 20, 2018 declaring its intention to impose the annual Stormwater Utility Fee ("Fee") pursuant to Ordinance No. 7-2014 on the Douglas 98 Project. A protest hearing was conducted on September 4, 2018 at which time no written protest was received from the property owner representing a majority of the parcel subject to the Fee. Council then adopted a Resolution authorizing the mailing of a property owner ballot for the purpose of submitting the Fee to a vote of the owners subject to the Fee. Only one parcel is subject to the fee.

The Clerk has tabulated the ballot returned by the property owner for the Douglas 98 Project. If majority approval exists, Council may impose the annual Fee on the Douglas 98 Project pursuant to the Ordinance. If a majority approval does not exist, the Stormwater Utility Fee shall not be imposed for the project. Council action is to adopt the Resolution declaring the results of the mail ballot election.

**ATTACHMENTS**

1. Resolution
2. Property Owner Ballot
3. Certified Results

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, DECLARING THE RESULTS OF A MAIL BALLOT ELECTION RELATING TO THE IMPOSITION OF THE ANNUAL STORMWATER UTILITY FEE ON THE DOUGLAS 98 PROJECT IN THE CITY OF RANCHO CORDOVA**

**WHEREAS**, on August 20, 2018 City Council adopted a Resolution declaring its intention to impose the Annual Stormwater Utility Fee ("Fee") for the Douglas 98 Project; and

**WHEREAS**, Article XIII D of the California Constitution (Proposition 218) requires the City to follow certain procedural and substantive requirements relating to the imposition of property-related fees and charges (as defined in Proposition 218); and

**WHEREAS**, the City has determined that the Fee is a property related fee, subject to the provisions of Proposition 218; and

**WHEREAS**, before imposing the Fee, the City Council is required to hold a noticed public hearing on a written report (the "Written Report") containing a description of each parcel of real property within the City to which the Fee is applicable and the amount of the Fee for each such parcel for Fiscal Year 2018-2019 and to consider protests to the Fee and, if a majority protest is not received at the public hearing, the Council must submit the question of the imposition of the Fee to a vote of the owners of the property subject to the proposed Fee for approval before the proposed Fee may be levied; and

**WHEREAS**, in accordance with Proposition 218 the City Council held a duly noticed public hearing on the matter of the Written Report and the proposed Fee on September 4, 2018 and took testimony, both written and oral; and

**WHEREAS**, having determined a written protest was not received from property owner representing a majority of the parcels subject to the Fee, the City Council adopted a Resolution authorizing the mailing of a property owner ballot (the "Ballot Measure") for the purpose of submitting the Fee to a vote of the owner of parcel subject to the Fee, and subject to approval by a majority vote of the owner of parcel subject to the Fee; and

**WHEREAS**, pursuant to the terms of Ordinance No. 7-2014 and the unanimous consent of the property owner, the Property Owner Balloting was conducted and completed and the City Clerk has on file a Certificate of the City Clerk as to the Results of the Canvass of the Ballot Return in Connection with the Proposed Stormwater Utility Fee (the "Certificate"), a copy of which is attached hereto as Exhibit B and by this reference incorporated herein.

**NOW, THEREFORE, BE IT IS HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA:**

1. The above recitals are true and correct.
2. The Certificate is hereby accepted into the records of the City.
3. The Ballot Measure is authorized as set forth in Exhibit A attached hereto and by this reference incorporated herein.

4. The results of the Ballot Measure are as set forth in the Certificate on file with the City Clerk and attached to this Resolution as Exhibit B ("Certificate").
5. The City Clerk is authorized to declare the results of the mail ballot election relating to the imposition of the Stormwater Utility fee on the Douglas 98 Project
6. Pursuant to said Certificate, if the Ballot Measure submitted was approved by a majority vote of the owner of parcel subject to the Fee, the Fee is hereby imposed pursuant to Ordinance No. 7-2014 on the Douglas 98 Project, otherwise, if the Ballot Measure submitted was not approved by a majority vote of the owner of parcel subject to the Fee, the imposition of the Fee is hereby abandoned for the Douglas 98 Project.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this 1st day of October, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

________________________________

Linda Budge, Mayor

**ATTEST:**

________________________________

Stacy Leitner, City Clerk

# Rancho Cordova Stormwater Utility Fee – Official Property Owner Ballot

The person completing and submitting this Property Owner Ballot must be the owner of the property identified above or the representative of the owner of such property who is legally authorized to complete and submit this ballot for and on behalf of the owner. The enclosed "Summary of Property Owner Ballot Procedures" has been provided to assist you in filling out the ballot. If there are two or more property owners, only one needs to sign and return the ballot. One ballot will be counted per property.

Assessor's Parcel Numbers: 067-0040-033
Property Address: WS Grant Line Road, approx 1750ft south of Douglas Road.
Designation: Vacant Land
Total Parcel(s) Area (acres): 98.69 Acres
DMUs: 0
Proposed Max. FY 2018-2019 Annual Fee Amount: $125.98 / DMU

Assessor's Parcel Numbers: 067-0040-033
Owner Name: Woodside 05N, LP
Proposed Maximum FY 2018-2019 Annual Fee Amount: $125.98 per DMU

In order to provide the City of Rancho Cordova with a dedicated funding source to repair, reconstruct and maintain the storm drain system and to protect water quality, shall the City impose an annual Stormwater Utility Fee as shown in the Rate Analysis Report, dated 8/7/2014?

Vote Here

☒ **YES** I support the proposed annual Stormwater Utility Fee

☐ **NO** I oppose the proposed annual Stormwater Utility Fee

***I hereby declare, under penalty of perjury under the laws of the State of California, that I am the owner, or the authorized representative of the owner, of the parcel identified above. Your ballot will not be counted if you do not sign below.***

| 9-12-18 | Brian Cutting | B Cutting |
|---|---|---|
| Date | Printed Name | Signature |

If approved by a majority of the returned ballots, the proposed maximum annual Storm Drain User Fee rate for FY 2018-2019 will be $125.98 per Drainage Measurement Unit (DMU). The maximum rate per DMU will increase annually by the amount of the increase of the CPI. However, each year the City Council will hold a public hearing and determine the actual rate per DMU that will be charged. At the annual public hearing, the City Council will set the actual rate for the next year, which would be equal to or less than the annual maximum rate. The Council may decide to reduce the rate or set the rate to $0 per DMU in any fiscal year.

**Please mark your ballot in ink and return the entire page.**

Upon completion, fold the ballot, place it in the addressed, return envelope and seal the envelope. Pursuant to the enclosed instructions, mail the ballot to the address shown on the return envelope, or deliver to the City Clerk at City Hall located at 2729 Prospect Park Drive, Rancho Cordova, CA 95670. Mailed or hand delivered ballots must be received by 1:30 p.m. Wednesday, September 19, 2018.

Please see the "Summary of Property Owner Ballot Procedures" on the enclosed sheet.

Woodside 05N, LP
111 Woodmere Road, Suite 190
Folsom, CA 95630

**return to:**

**City of Rancho Cordova**
**City Clerk**
**2729 Prospect Park Drive**
**Rancho Cordova, CA 95670**

**CERTIFICATE OF THE CITY CLERK AS TO**

**THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

**IN CONNECTION WITH THE PROPOSED STORMWATER UTILITY FEE**

**IN THE CITY OF RANCHO CORDOVA**

I, Stacy Leitner, City Clerk of the City of Rancho Cordova, hereby certify that I canvassed the returns of the election in connection with the imposition of an annual stormwater utility fee that the day for the return of mailed ballot, scheduled for September 19, 2018. The election was concluded on that date and that the total number of ballots cast in said election and the total number of votes cast for and against the ballot measure, as specified below, are full, true and correct.

Total of Ballots Received: 1

Total "Yes" Ballots: 1

Total "No" Ballots: 0

Stacy Leitner

Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Stacy Leitner, City Clerk

**SUBJECT:** **BIENNIAL REVIEW AND RESOLUTION UPDATING THE CONFLICT OF INTEREST CODE FOR THE CITY OF RANCHO CORDOVA DESIGNATED EMPLOYEES**

---

## RECOMMENDATION

Adopt the Resolution.

## RESULT OF RECOMMENDED ACTION

Adoption of the Resolution results in the City's compliance with Fair Political Practices Commission requirements.

## BACKGROUND

Local agencies must review their Conflict of Interest Code biennially to ensure the Code still accurately designates the appropriate positions and requires disclosure by designated officials in the appropriate disclosure category. The Political Reform Act requires all positions that make or participate in making governmental decisions be designated.

The City Council, City Manager, City Attorney, and Chief Financial Officer are not covered under this Code but are mandated filers and subject to the disclosure requirements set forth in Government Code Section 87200.

By adopting the attached Resolution, the City is adopting by reference the terms of Title 2 California Code of Regulations Section 18730 and designating the following positions and disclosure categories. The attached table shows the changes from the last biennial review.

## FISCAL IMPACT

None.

## ATTACHMENTS

1. Resolution
2. California Code of Regulations, Title 2, Section 18730, Provisions of Conflict of Interest Codes
3. Conflict of Interest Code for the City of Rancho Cordova.
4. Proposed changes from the 2018 biennial review of the Conflict of Interest Code.

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA UPDATING THE CITY'S CONFLICT OF INTEREST CODE WHICH INCLUDES THE LIST OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES**

**WHEREAS**, the Political Reform Act, Government Code Section 8100 et seq., requires local government agencies to adopt and to publicize conflict of interest codes and review them biennially; and

**WHEREAS**, the City of Rancho Cordova is an agency subject to the Political Reform Act's code-filing requirements; and

**WHEREAS**, pursuant to City Council Resolutions 69-2003, 143-2004 177-2006, 113-2008, 109-2010, and 112-2016 the City has previously adopted by reference the conflict of interest code provisions set forth in Title 2 California Code of Regulations Section 18730 and established A Conflict of Interest Code which lists designated positions and required categories of disclosure; and

**WHEREAS**, the City has determined that changes to the staffing and/or position titles of City positions requires that the City amend its list of designated positions; and

**NOW, THEREFORE,** the City Council of the City of Rancho Cordova hereby resolves as follows:

**Section 1**. The City Council hereby approves and adopts by reference the terms of Title 2 California Code of Regulations Section 18730, as it may be amended after a public notice and hearing may be amended from time to time by the Fair Political Practices Commission to conform to amendments in the Political Reform Act; and

**Section 2**. The provisions of this Resolution and its attachments shall supersede any conflicting provisions and attachments previously adopted by the City Council pertaining to the City of Rancho Cordova's Conflict of Interest Code.

**Section 3.** Following adoption of the Code, the designated officials, employees, and consultants shall file statements of economic interest and shall disqualify themselves from participation in decisions in which they may have a conflict of interest, in accordance with the Code.

**Section 4.** Individuals holding designated positions shall file their statements with the City Clerk, which will retain the statements and make the statements available for public inspection and reproduction.

**ATTACHMENT 1**

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

**ATTACHMENT 2**

THOMSON REUTERS
WESTLAW California Code of Regulations

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**§ 18730. Provisions of Conflict of Interest Codes.**
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Chapter 7. Conflicts of Interest
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2 CCR § 18730

## § 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.
The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.
The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.
This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.[1]
Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.
The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.[2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code.

ATTACHMENT 2

Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.
Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.
Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.
Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.
Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.
Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.
When an investment or an interest in real property[3] is required to be reported,[4] the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds $2,000, exceeds $10,000, exceeds $100,000, or exceeds $1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,[5] the statement shall contain:

1. The name and address of each source of income aggregating $500 or more in value, or $50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

**ATTACHMENT 2**

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was $1,000 or less, greater than $1,000, greater than $10,000, or greater than $100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,[6] the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than $10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of $470.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than $470 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed $500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of $500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of $100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than $250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

**ATTACHMENT 2**

(A) Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating $500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating $470 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value $1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.
When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.
Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.
This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

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[1] Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

[2] See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

[3] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[4] Investments and interests in real property which have a fair market value of less than $2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[5] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[6] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

**HISTORY**

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.

2. Editorial correction (Register 80, No. 29).

3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).

4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).

5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).

6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).

11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

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26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law,* 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

This database is current through 9/14/18 Register 2018, No. 37

2 CCR § 18730, 2 CA ADC § 18730

**END OF DOCUMENT**

**ATTACHMENT 3**

# CONFLICT OF INTERST CODE FOR THE CITY OF RANCHO CORDOVA

The Political Reform Act (Government Code Section 8100, et. seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code and may be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices (FPPC) to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices designating positions and establishing disclosure requirements shall constitute the conflict-of-interest code of the City of Rancho Cordova.

Individuals holding designated positions shall file their statements with the City Clerk, which will retain the statements and make the statements available for public inspection and reproduction. (Government Code Section 81088).

## DESIGNATED POSITIONS

The positions listed below constitute the list of designated positions required by the City of Rancho Cordova Conflict of Interest Code (2 Cal. Code of Regs. Section 18730). The individual occupying each position is deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest of that individual. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Section II below.

| POSITION | CATEGORY |
|---|---|
| Accountant | 2 |
| Administrative Services Director | 1 |
| Animal Services Officer | 2 |
| Assistant Building Official | 1 |
| Assistant City Attorney | 1 |
| Assistant City Clerk | 1 |
| Assistant City Manager | 1 |
| Assistant Police Chief | 1 |
| Building Inspector | 2 |
| Business Systems Analyst | 1 |
| Building Official | 1 |
| City Clerk | 1 |
| City Engineer/Public Works Director | 1 |
| Code Enforcement Officer | 2 |
| Communications, Legislative Affairs, & Community Engagement Director | 1 |
| Community Development Director | 1 |

# ATTACHMENT 3

| POSITION | CATEGORY |
|---|---|
| Community Enhancement Analyst (Management Analyst) | 2 |
| Community Engagement Analyst | 3 |
| Deputy City Attorney | 1 |
| Economic Development Director | 1 |
| Economic Development Analyst | 2 |
| Engineering Manager | 2 |
| Facilities Services Manager | 2 |
| Human Resources Manager | 1 |
| Information Technology Director | 1 |
| Management Analyst | 2 |
| Neighborhood Services Manager | 1 |
| Neighborhood Services Supervisor | 1 |
| Planning Manager | 1 |
| Principal Planner | 2 |
| Police Chief | 1 |
| Principal Building Inspector | 2 |
| Public Works Division Manager- Maintenance and Operations | 1 |
| Reinvestment Analyst | 1 |
| Senior Civil Engineer | 1 |
| Senior Code Enforcement Officer | 1 |
| Senior Engineer | 2 |
| Senior Finance Analyst | 2 |
| Senior Human Resources Analyst | 1 |
| Senior Information Technology Analyst | 1 |
| Senior Management Analyst | 1 |
| Senior Planner | 2 |
| Supervising Building Inspector | 2 |

Consultants shall be designated on a case-by-case basis, depending upon the nature of their services.

## DISCLOSURE CATEGORIES

**Disclosure Category 1**
Individuals in this category shall disclose all interests in real property located within the City and all investments in, business positions with, and sources of income from entities having an interest in real property within the City or entities which are of the type to do business with or within the City.

**Disclosure Category 2**
Individuals in this category shall disclose all investments and business positions in business entities, and income from sources which: (1) are contractors or subcontractors engaged in the

**ATTACHMENT 3**

performance of work or services of the type utilized by the City, or (2) which manufacture or sell supplies, material, machinery or equipment of the type utilized by the City.

**Disclosure Category 3**
Individuals in this category shall disclose all investments and business positions in business entities, and income from sources which: (1) are contractors or subcontractors engaged in the performance of work or services of the type utilized by the designated employee's department, or (2) which manufacture or sell supplies, material, machinery or equipment of the type utilized by the designated employee's department.

**ATTACHMENT 4**

**CONFLICT OF INTERST CODE DESIGNATED POSITIONS UPDATE 9-19-2016**

KEY: ~~Strikethrough = Remove~~ RED = Addition

The positions listed below constitute the list of designated positions required by the City of Rancho Cordova Conflict of Interest Code (2 Cal. Code of Regs. Section 18730). The individual occupying each position is deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest of that individual. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Appendix B (Disclosure Categories).

| POSITION | CATEGORY |
|---|---|
| Accountant | 2 |
| Administrative Services Director | 1 |
| Animal Services Officer | 2 |
| Assistant Building Official | 1 |
| Assistant City Attorney | 1 |
| Assistant City Clerk | 1 |
| Assistant City Manager | 1 |
| Assistant Police Chief | 1 |
| Building Inspector | 2 |
| Business Systems Analyst | 1 |
| ~~Chief~~ Building Official | 1 |
| City Clerk | 1 |
| City Engineer/Public Works Director | 1 |
| Code Enforcement Officer | 2 |
| Communications, Legislative Affairs, & Community Engagement Director | 1 |
| ~~Communication and Legislative Affairs Manager~~ | ~~2~~ |
| Community Development Director | 1 |
| Community Enhancement Analyst (Management Analyst) | 2 |
| Community Engagement Analyst | 2 |
| Deputy City Attorney | 1 |
| Economic Development Director | 1 |
| Economic Development ~~Manager (Management Analyst)~~ Analyst | 2 |
| Engineering Manager | ~~3~~ 2 |
| Facilities Services Manager | 2 |
| Human Resources Manager | ~~2~~ 1 |
| Information Technology Director | ~~3~~ 1 |
| Management Analyst | 2 |
| Neighborhood Services Manager | ~~2~~ 1 |
| Neighborhood Services Supervisor | ~~2~~ 1 |
| Planning Manager | 1 |
| Principal Planner | 2 |
| Police Chief | 1 |
| Principal Building Inspector | 2 |
| Public Works Division Manager-Maintenance and Operations | ~~3~~ 1 |
| Reinvestment ~~and Housing Opportunities Manager~~ Analyst | ~~2~~ 1 |
| Senior Civil Engineer | 1 |
| Senior Code Enforcement Officer | |

**ATTACHMENT 4**

| | |
|---|---|
| Senior Engineer | ~~3~~ 2 |
| Senior Finance Analyst | 2 |
| Senior Human Resources Analyst | 1 |
| Senior Information Technology Analyst | 1 |
| Senior Management Analyst | 1 |
| Senior Planner | 2 |
| Supervising Building Inspector | 2 |

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Albert Stricker, Public Works Director and Steve Harriman, Operations and Maintenance Division Manger

**SUBJECT:** **A RESOLUTION REJECTING ALL BIDS FOR ON-CALL CONCRETE MAINTENANCE SERVICES**

## RECOMMENDATION

Adopt the Resolution.

## RESULT OF RECOMMENDED ACTION

Adoption of this Resolution will reject all bids received for on-call concrete maintenance services.

## BACKGROUND

The Public Works Department released a Request for Bids document for on-call concrete maintenance services on July 25, 2018. One company submitted an incomplete bid document at a public bid opening on August 15, 2018. Staff intends to revise and re-issue the bid document in anticipation of better participation from contractors. State law allows for the Council to reject all bids and re-open the process.

## FISCAL IMPACT

The Resolution has no fiscal impact.

## ATTACHMENTS

1. Resolution

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, REJECTING ALL BIDS FOR ON-CALL CONCRETE MAINTENANCE SERVICES**

**WHEREAS**, on July 25, 2018, the Public Works Department released a Request for Bids for on-call concrete maintenance services; and

**WHEREAS,** the bid was advertised on the City website and CIPList.com; and

**WHEREAS**, bids were publicly opened on August 15, 2018 at 2729 Prospect Park Dr., Rancho Cordova 95670; and

**WHEREAS,** one incomplete bid was received; and

**WHEREAS,** staff intends to revise and re-issue the bid document in anticipation of better participation from contractors; and

**WHEREAS**, staff recommends that the City Council reject all bids for on-call concrete maintenance services.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA** that the City Council rejects the bid for the on-call concrete maintenance services.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Joseph Cuffe, Building Official

**SUBJECT:** **AN ORDINANCE AMENDING CHAPTER 17.04 OF THE RANCHO CORDOVA MUNICIPAL CODE RELATING TO ADOPTING OF THE STATE FIRE CODE WITH LOCAL AMENDMENTS**

## RECOMMENDATION

Introduce and waive the first reading of an Ordinance amending Chapter 17.04 of the Rancho Cordova Municipal Code, and adopting by reference the California F/ire Code, 2016 Edition, with amendments based upon local climatic, geological, and topographical conditions, and to set a Public Hearing on November 5, 2018 at 5:30 p.m.

## RESULT OF RECOMMENDED ACTION

Approval of this Ordinance would adopt by reference the State Fire Code, as with amendments determined by the Fire Marshall of the Sacramento Metropolitan Fire District, and the Building Official of the City Building & Safety Division. These amendments are determined to be necessary to provide specialized service to the citizens of Rancho Cordova.

## BACKGROUND

Every three years, the California Building Standards Commission adopts new building and Fire Safety Codes to be enforced throughout the state. As part of that process, State law allows local jurisdictions to modify the State code to allow for specific challenges each local jurisdiction may encounter that are unique to the area, including local climatic, geological, and topographical conditions. This process requires that each local jurisdiction adopt the amendments proposed before the amendments can be enforced.

The Fire Marshall of the Sacramento Metropolitan Fire District, with input from the City Building Official, have determined that the adoption of the local amendments is a benefit to the community of Rancho Cordova, and will allow the District to provide exceptional customer service to the citizens of Rancho Cordova.

## FISCAL IMPACT

There is no fiscal impact to the City.

## ATTACHMENT(S)

1. Ordinance, RCMC Title 17, Chapter 17.04 FIRE CODE

ATTACHMENT 1

**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. XX-XXXX**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, REPEALING AND REPLACING CHAPTER 17, "FIRE CODE" TO THE RANCHO CORDOVA MUNICIPAL CODE WHICH ADOPTS BY REFERENCE THE 2016 CALIFORNIA FIRE CODE, AND BY REFERENCE THE 2015 INTERNATIONAL FIRE CODE**

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

**Section 1. Findings**. In connection with the amendments enacted by Section 2 relating to the International Fire Code and its appendix, 2015 Edition, the City of Rancho Cordova makes the following findings pursuant to Health and Safety Code Section 17958.5, 17958.7 and 18941.5. The changes are reasonably necessary because of local climatic, topographical or geological conditions.

The City of Rancho Cordova hereby adopt pursuant to Section 18941.5 of the California Health and Safety Code, the following findings of fact:

(a) Under this adopting ordinance, specific amendments have been established which are more restrictive of nature than those adopted by the State of California (State Buildings Standards Code, State Housing & Community Development Codes) commonly referred to as Title 24 & Title 25 of the California Code of Regulations. These amendments to the California Fire Code 2015 Edition, have been recognized by the City of Rancho Cordova to address the fire problems, concerns and future direction by which the County can establish and maintain an environment which will afford a level of fire and life safety to all who live and work within its boundary.

(b) The International Code Council has assumed responsibility for the International Fire Code and International Fire Code Standards. The International Code Council provided a means for participation by all code enforcement officials from throughout the country as well as industry representatives, consultants, and other private parties with an interest in the International Fire Code.

(c) The International Fire Code, being the 2015 edition thereof, published by the International Code Council nationally recognized compilation of proposed rules, regulations and standards of said Association.

(d) Said International Fire Code has been printed and published as a Code in book form within the meaning of Section 50022.1 of the Government Code of the State of California.

(e) Under the provisions of Section 18941.5 of the Health and Safety Code, local amendments are based on climatic, topographical and geological conditions. The findings of fact contained herein address each of these situations and present the local situation, which either singularly or in combination, caused the aforementioned amendments to be adopted.

Local Conditions

**A. Climatic**

1. Precipitation and Relative Humidity

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a. Conditions

Precipitation ranges from 16 to 19 inches per year with an average of approximately 18.5 inches per year. Ninety-six (96) percent falls during the months of November through April and four (4) percent from May through October. This is a dry period of at least six (6) months each year. Additionally, the area is subject to occasional drought. Relative humidity remains in the middle range most of the time. It ranges from twenty-eight (28) to sixty-five (65) percent during spring, summer, fall, and from sixty (60) to ninety (90) percent in the winter. It occasionally falls as low as fifteen (15) percent.

b. Impact

Locally experienced dry periods cause extreme dryness of untreated wood shakes and shingles on buildings and non-irrigated grass, brush, and weeds, which are often near buildings with wood roofs and sidings. Such dryness causes these materials to ignite very readily and burn rapidly and intensely.

Due to dryness, a rapidly burning grass fire or exterior building fire can quickly transfer to other buildings by means of radiation or flying brands, sparks, and embers. A small fire can rapidly grow to a magnitude beyond the control capabilities of the Fire District resulting in an excessive fire loss.

In the past, several consecutive years of drought conditions have occurred thus reducing available water supply. The drought conditions have led to lower water tables. Groundwater as well as surface supplies have all been affected. The degradation of water supplies reduces the efficiency of fixed fire protection systems as well as hampering fire suppression activities. As an example, in 1998, the City of Sacramento lowered its static water pressure from 50 psi to 30 psi.

The doubling of average rainfall called an "El Nino" event has occurred from time to time and does cause the grass to mature and grow in excess of six feet high before it dries out. Ten sq. feet of this type of fuel is equivalent to the explosive force of one gallon of gasoline.

Low-level fog (tulle fog) is present throughout the winter months, which brings visibility to almost zero feet. The fog delays emergency responders and has caused numerous vehicle accidents including the December 11, 1997, Interstate 5 incident in Elk Grove which involved 36 vehicles and caused 31 casualties including 5 fatalities. The fog can also cause freezing and slick roadways

2. <u>Temperature</u>

a. Conditions

Temperatures have been recorded as high as 115° F. Average summer highs are in the 90° range, with average maximums of 108° F.

b. Impact

The Sacramento region has extreme variations in weather patterns too. Summers are arid and warm, winters are cool to freezing, fall and spring

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can bring any combination of weather pattern together. It is this cyclical uncertainty that allows weather events such as the rapid melting of the snow pack which causes flooding in the low-lying valley areas of Sacramento County.

High temperatures cause rapid fatigue and heat exhaustion of firefighters, thereby reducing their effectiveness and ability to control large building and wildland fires.

Another impact from high temperatures is that combustible building material and non-irrigated weeds, grass, and brush are preheated, thus causing these materials to ignite more readily and burn more rapidly and intensely. Additionally, the resultant higher temperature of the atmosphere surrounding the materials reduces the effectiveness of the water being applied to the burning materials. This requires that more water be applied, which in turn requires more Fire District resources in order to control a fire on a hot day. High temperatures directly contribute to the rapid growth of fires to an intensity and magnitude beyond the control capabilities of the Fire District.

3. Winds

   a. Conditions

   Prevailing winds in the area are from the south or southeast. However, winds are experienced from virtually every direction at one time or another. Velocities are generally in the six (6) mph to nine and one half (9.5) mph ranges, gusting to twenty-five (25) to thirty-five (35) mph. Forty (40) mph winds are experienced occasionally and winds up to fifty-five (55) mph have been registered locally. During the winter half of the year strong, dry, gusty winds from the north move through the area for several days creating extremely dry conditions.

   b. Impact

   Winds such as those experienced locally can and do cause fires, both interior and exterior, to burn and spread rapidly. Fires involving non-irrigated weeds, grass, and brush can grow to a magnitude and be fanned to intensity beyond the control capabilities of the Fire District very quickly even by relatively moderate winds. During wood shake and shingle roof fires, or exposure fires, winds can carry sparks and burning brands to other structures, thus spreading the fire and causing conflagrations. When such fires are not controlled, they can extend to nearby buildings, particularly those with untreated wood shakes or shingles. In building fires, winds can literally force fires back into the building and can create a blow torch effect, in addition to preventing “natural” ventilation and cross-ventilation efforts.

   Winds of the type experienced locally also reduce the effectiveness of exterior water streams used by the Fire District on fires involving large interior areas of buildings, fires which have vented through windows and roofs due to inadequate built-in fire protection and fires involving wood shake and shingle building exteriors. Local winds will continue to be a factor toward causing major fire losses to buildings not provided with fire resistive roof and siding materials. Buildings with inadequately separated interior areas or lacking automatic fire protection systems are also at risk.

Throughout the District, homes are being built within grass and brush covered rural areas creating an urban interface environment. Combustible weeds on vacant lots, coupled with windy conditions can be a recipe for disaster. Throughout the State of California, large catastrophic fires in these urban interface environments have resulted in loss of life and property at an increasing rate.

**B. Geological and Topographic**

1. Seismicity

a. Conditions

The District is in seismic zone 3 (major damage capability). Faults within this area are (1) Rescue Lineament-Bear Mountain Fault; (2) San Joaquin Fault; (3) Vacca-Kirby Fault; (4) Greenville Fault; and (5) Dunnigan Hills Fault.

b. Impact

Sacramento County is bisected by major transportation corridors including Interstate 80 which traverses in an east/west direction and is bisected by both Highway 99 and Interstate 5. The Sacramento Metropolitan Fire District and The Cosumnes Fire Department serve a combined population in excess of 923,000 residents and over 500 square miles. There are 2 major rail lines which run through the Districts. An overpass or underpass crossing collapse would significantly increase response time for fire and emergency vehicles and hinder mutual aid efforts. This is due to the limited crossings of the major highways and rail lines.

Earthquakes of the magnitude experienced locally can cause major damage to electrical transmission facilities, which, in turn, cause power failures while at the same time starting fires throughout the Fire Districts. The occurrence of multiple fires will quickly deplete existing fire districts resources; thereby reducing and/or delaying their response to any given fire. Additionally, without electrical power, elevators, smoke management systems, lighting systems, alarm systems, and other electrical equipment urgently needed for building evacuation and fire control in large buildings without emergency generator systems would be inoperative, thereby resulting in loss of life and/or major fire losses in such buildings.

2. Topographic

a. Conditions

i. Vegetation

Highly combustible dry grass, weeds, and brush are common in the hilly and open space areas adjacent to built-up locations six (6) to eight (8) months of each year. Many of these areas frequently experience wildland fires, which threaten nearby buildings, particularly those with wood roofs, or sidings. This condition can be found throughout the Fire Districts, especially in

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those fully developed areas and those areas marked for future development.

Development continues to extend from the urban core into grass-covered areas and brush/tree covered canyons, such as the American River Parkway, where every 20-percent increase in slope doubles the rate of fire spread.

ii. Surface features

The Districts are bisected by the Union Pacific mainline running north/south with an average of eighteen to twenty-four trips daily and with the ability to increase the trips significantly without prior notice to the District. Underground pipelines run parallel to the mainline in a north/south direction in the western portion of the district and carry liquid petroleum, and natural gases under high pressure. It is reasonably foreseeable that this bisection of the Districts by the railroad track could result in the reduction of response time for fire and emergency vehicles in the event a train is traveling on the railroad track at the time of a fire or other emergency.

iii. Buildings, landscaping, and terrain

The Districts include several topographical features, including major rivers and creeks, aqueducts, lakes, sloughs, natural parkways, open space, bridges/overpasses, freeways, railroad tracks, drainage canals, and sprawling industrial facilities, such as Suburban Propane, Apple Computer, Aerojet, and McClellan Park. Traffic has to be channeled around several of these topographical features and limitations, which creates traffic congestion and delays in emergency response. In the event of an accident or other emergency at one of the key points of intersection between a road and river or freeway, sections of the Districts could be isolated or response times could be significantly increased so as to increase the risk of injury or damage. These features are located between many of the District's fire stations.

Preservation of wetland areas, natural parkways, riparian corridors along rivers/streams, vernal pools, open space and endangered species habitats have all contributed to access problems as well as exemption from vegetation abatement programs. These situations, though very environmentally important, do increase the demands on the fire service due to the extreme fire hazard created by fuel loading and limited access. Reduced available infrastructure features, such as roads, water supplies, and fire protection, hamper the effectiveness of fire response resources. These rural areas are subject to a higher degree of risk without mitigation measures.

Intricate levee systems hold back a portion of the floodwater. However, significant flooding has occurred in many of the Districts' low lying areas where soil conditions are not conducive to rapid

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infiltration. Localized street flooding has occurred near creeks which make access for fire-fighting equipment difficult.

b. Impact

The above local geological and topographical conditions impede emergency response activities and increase response times. Public Safety resources would have to be prioritized to mitigate the greatest threat and may likely be unavailable for smaller single dwelling or structure fires.

Additional variables that may negatively impact emergency response:

1. The extent of damage to the water system.
2. The extents of isolation due to bridge and/or freeway overpass collapse.
3. The extent of roadway damage and/or amount of debris blocking the roadways.
4. Climatic conditions (hot, dry weather with high winds).
5. Time of day will influence the amount of traffic on roadways and could intensify the risk to life during normal business hours.
6. The availability of timely mutual aid or military assistance.

(f) Based on these local climatic, topographical and geological conditions, the amendments to the 2015 California Fire Code as specified in this ordinance are considered reasonable and necessary modifications to the requirements established pursuant to Section 18941.5. While it is clearly understood that the adoption of such amendments may not prevent the incidence of fire, the implementation of these various amendments to the code attempt to reduce the severity and potential loss of life, property and protection of the environment.

(g) California Health and Safety Code Section 17958.7 requires that the modifications or change be expressly marked and identified as to which each finding refers. Therefore, the City of Rancho Cordova finds that the attached table provides code sections that have been modified which are building standards as defined in Health and Safety Code Section 18909, and the associated conditions for modification due to local climatic, geological and topographical reasons.

| 2016 CFC Amended Section | Adopted | Amended | Added | Deleted | Finding |
|---|---|---|---|---|---|
| Chapter 1 | X | | | | Administrative |
| 102.1 | | X | | | Administrative |
| 105.6 | | X | | | Administrative |
| 105.6.5 | | X | | | Administrative |
| 105.6.31 | | X | | | Administrative |
| 105.6.44 | | X | | | Administrative |

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| | | | | | |
|---|---|---|---|---|---|
| 105.6.51 | | | X | | Administrative |
| 105.7 | | X | | | Administrative |
| 105.7.21 | | | X | | Administrative |
| 106.2.3 | | | X | | Administrative |
| 108.1 | | X | | | Administrative |
| 108.2 | | X | | | Administrative |
| 108.3 | | | | X | Administrative |
| 109.4 | | X | | | Administrative |
| 109.4.2 | | | X | | Administrative |
| 109.4.3 | | | X | | Administrative |
| 111.4 | | X | | | Administrative |
| **2016 CFC Amended Section** | **Adopted** | **Amended** | **Added** | **Deleted** | **Finding** |
| 113.6 | | | X | | Administrative |
| 202 | | X | X | | Administrative |
| Section 305 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Section 306 | X | | | | Climatic 2, 3, Geological & Topographical 1, 2 |
| Section 307 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 308.1.4 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 308.1.6.3 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Section 309 | X | | | | Climatic 2, 3, Geological & Topographical 1, 2 |
| 315.4 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 315.4.3 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 401.5.1 | | | X | | Administrative |
| Section 503 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 503.1.2.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 503.1.2.2 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 503.6 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 503.6.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 505.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 505.1.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 507.1.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 507.5.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |

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| 2016 CFC Amended Section | Adopted | Amended | Added | Deleted | Finding |
|---|---|---|---|---|---|
| 510.3 | X | | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 901.4.6 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 901.6.2.2 | | | X | | Administrative |
| 901.6.3 | | | X | | Climatic 2, 3, Geological & Topographical 1, 2 |
| 903.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.1.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.1.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.1.3 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.1.4 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.2.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.3 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.4 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.7 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.9 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.9.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.10 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.10.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.18 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.2.20 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.3.8.4 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.3.9 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.4.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.4.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.4.3 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.4.5 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.6.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 903.6.2 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 907.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 907.6.6 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| 1028.5.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |

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| | | | | | |
|---|---|---|---|---|---|
| 5003.9.1.2 | | | X | | Administrative |
| 5003.9.1.3 | | | X | | Administrative |
| Chapter 80 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix B, Table B105.1(1) | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix B, B105.1.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix B, B105.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix B, Table B105.2 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, C102.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, Table C102.1 | | X | | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, C104.2 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, C104.3 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, C104.4 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |
| Appendix C, C106.1 | | | X | | Climatic 1, 2, 3, Geological & Topographical 1, 2 |

**Section 2. Amendment of the Rancho Cordova Municipal Code.** Title 17, Chapter 17.04, “Fire Code,” is hereby repealed in its entirety and replaced and amended as follows:

## Chapter 17.04
## FIRE CODE

**17.04.005 Title.** These regulations shall be known as the “Fire Code.”

**17.04.010 Adoption of California Fire Code.** There is hereby adopted by the City of Rancho Cordova for the purpose of prescribing regulations governing conditions hazardous to life and property from fire or explosion, that certain code known as the 2016 California Building Standards Code, Title 24, California Code of Regulations, Part 9 (California Fire Code), incorporating the International Fire Code, 2015 Edition, with errata, published by the International Code Council including Chapter 1 and Sections 305, 306, 307, 308.1.4, 308.1.6.3, 309, 503, 510.3, save and except such portions as hereinafter deleted, modified or amended. Except as otherwise provided by this chapter and Chapter 16.02 RCMC, all construction, alteration, moving, demolition, repair, and use of any building or structure within the city shall be made in conformance with the State Code and any rules and regulations promulgated pursuant thereto, including the IFC and the appendix. Not less than one (1) copy of such code has been and now is filed with the Clerk of the City of Rancho Cordova. From the effective date of the ordinance establishing this chapter, the provisions herein shall be controlling within the limits of the city of Rancho Cordova except that any inconsistent regulations and ordinances relating to building standards contained in the State Code, IFC and the appendix adopted pursuant to applicable law by the Sacramento Metropolitan Fire District shall be controlling within the city of Rancho Cordova if said regulation or ordinance has been ratified by the city in accordance with Section 13869.7 of the California Health and Safety Code.

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**17.04.020 Enforcement.** The division of authority for enforcement of this chapter shall be as follows:

The Chief of the Sacramento Metropolitan Fire District or his/her designated representatives shall have authority to enforce this chapter and issue citations for violations.

**17.04.030 Findings.** The Findings of Fact are filed separately with the California Building Standards Commission and State Department of Housing and Community Development.

**17.04 040 Definitions.**

(a) Wherever the word "municipality" is used in the California Fire Code, it shall mean the City of Rancho Cordova.

(b) Wherever the words "Chief" or "Chief of the bureau of fire prevention" are used in this Chapter or the California Fire Code, they shall mean the Chief of the Sacramento Metropolitan Fire District

**17.04.050 Amendments to the 2016 Edition of the California Fire Code (CFC), incorporating the International Fire Code, 2015 edition.**

Notwithstanding the provisions of RCMC 17.04.010 and the State Code, the CFC and appendix are amended as follows:

SECTION 102.1 “CONSTRUCTION AND DESIGN PROVISIONS.” IS AMENDED AS FOLLOWS:

**Section 102.1 Construction and design provisions**. The construction and design provisions of this code shall apply to:

1. Structures, facilities and conditions arising after the adoption of this code.
2. Existing structures, facilities and conditions not legally in existence at the time of adoption of this code.
3. Existing structures, facilities and conditions where required in Chapter 11.
4. Existing structures, facilities and conditions that, in the opinion of the fire code official, constitute a distinct hazard to life or property.
5. Where not otherwise limited by law, the provisions of this code shall apply to vehicles, ships, and boats that are permanently affixed to a specific location within the boundaries of this jurisdictions.

SECTION105.6 “REQUIRED OPERATIONAL PERMITS” IS AMENDED AS FOLLOWS:

**Section 105.6 Required operational permits**. The fire code official is authorized to issue operational permits for the operations set forth in Sections 105.6.1 through 105.6.51.

SECTION 105.6.5 “CARNIVALS AND FAIRS” IS AMENDED AS FOLLOWS:

**Section 105.6.5 Carnivals, fairs, festivals, or exhibitions**. An operational permit is required to conduct a carnival, fair, festival, or exhibition.

SECTION 105.6.31 “MOTOR FUEL-DISPENSING FACILITIES” IS AMENDED AS FOLLOWS:

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**Section 105.6.31 Motor fuel-dispensing facilities**. An operational permit is required for the operation of automotive, marine and fleet motor fuel-dispensing facilities, as well as vendors who provide mobile fueling services to the general public.

SECTION 105.6.44 “STORAGE OF SCRAP TIRES AND TIRE BYPRODUCTS” IS AMENDED AS FOLLOWS:

**Section 105.6.44 Storage of tires, scrap tires, and tire byproducts**. An operational permit is required to establish, conduct or maintain storage of tires, scrap tires, and tire byproducts that exceeds 2,500 cubic feet (71 m3) of total volume of scrap tires, and for indoor storage of tires, scrap tires, and tire byproducts.

SECTION 105.6.51 “INDOOR GROWING OPERATION” IS ADDED AS FOLLOWS:

**Section 105.6.51 Commercial indoor growing operation**. Where not otherwise prohibited by law, a permit is required to operate a commercial indoor growing operation.

**Exception:** Agricultural greenhouses in an agricultural zone.

SECTION 106.2.3 “ADMINISTRATIVE COSTS” IS ADDED AS FOLLOWS:

**Section 106.2.3 Administrative Costs.** When a test or inspection is scheduled and the contractor fails to perform to the satisfaction of the authority having jurisdiction, the authority having jurisdiction may bill the contractor for actual time spent traveling to and from the test/inspection location and the time spent at the test/inspection site as well as administrative costs.

SECTION 108.1 “BOARD OF APPEALS ESTABLISHED” IS AMENDED AS FOLLOWS:

**Section 108.1 Board of appeals established**. In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a board of appeals. The board of appeals shall be the Board of Directors of the fire protection district or Community Services District having jurisdiction, or the County of Sacramento Board of Supervisors in the Sacramento County Airport System.

SECTION 108.2 “LIMITATIONS ON AUTHORITY” IS AMENDED AS FOLLOWS:

**Section 108.2 Limitations on authority**. A written application for appeal shall be submitted within thirty (30) days from the date such decision or determination was made. An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The board shall not have authority to waive requirements of this code.

SECTION 108.3 “QUALIFICATIONS” IS DELETED

SECTION 109.4 “VIOLATION PENALTIES” IS AMENDED AS FOLLOWS:

**Section 109.4 Violation penalties**. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or

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of a permit or certificate used under provisions of this code, shall be guilty of an infraction or a misdemeanor punishable by a fine of not less than one hundred dollars ($100) and not more than one thousand dollars ($1,000), or by imprisonment not exceeding 180 days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

SECTION 109.4.2 "CITATIONS" IS ADDED AS FOLLOWS:

**Section 109.4.2 Citations.** The Chief, or his/her duly authorized representative, may issue citations for infractions or misdemeanor violations of this code pursuant to Section 13871 of the Health and Safety Code of the State of California and Chapter 5c (commencing with Section 853.6) of Title 3 of Part 2 of the Penal Code of the State of California.

SECTION 109.4.3 "CALIFORNIA BAIL SCHEDULE" IS ADDED AS FOLLOWS:

**Section 109.4.3 - CALIFORNIA FIRE CODE BAIL SCHEDULE**

| SECTION | NATURE OF OFFENSE | PC | MA | BAIL PA | NCA | TOTAL |
|---|---|---|---|---|---|---|
| 109.4.3* | NC W/ORDERS OR NOTICE | X | | $1000 | $1700 | $2700 |
| 109.4.3* | NC W/CONDEMNATION TAG | X | | $1000 | $1700 | $2700 |
| 109.4.3* | DESTRUCTION OF TAGS | X | | $1000 | $1700 | $2700 |
| 109.4.3* | CONTINUANCE OF HAZARD | X | | $1000 | $1700 | $2700 |
| ALL OTHER SECTIONS | | X | | $100 | $170 | $270 |

* - MISDEMEANOR

PC - ELIGIBLE FOR PROOF OF CORRECTION

MA - MANDATORY APPEARANCE

PA - PENALTY ASSESSMENT

NCA - NIGHT COURT ASSESSMENT

NC - NONCOMPLIANCE

SECTION 111.4 "FAILURE TO COMPLY" IS AMENDED AS FOLLOWS:

**Section 111.4 Failure to comply.** Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be guilty of an infraction or a misdemeanor punishable by a fine of not less than one hundred ($100) dollars or more than one thousand ($1000) dollars.

SECTION 113.6 "COST RECOVERY FEES" IS ADDED AS FOLLOWS:

**Section 113.6 Cost recovery fees.** Cost recovery fees may be charged to any person, firm, corporation, or business that through negligence, violation of the law, or as a result of carelessness, is responsible for an incident resulting in Fire Department response. (Health & Safety Code 13916)

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SECTION 202 “ALL-WEATHER DRIVING SURFACE” IS ADDED AS FOLLOWS:

**ALL-WEATHER DRIVING SURFACE.** A roadway with a minimum surface finish of one layer of asphalt or concrete that is designed to carry the imposed weight loads of fire apparatus.

SECTION 202 “APPROVED SUPERVISING STATION” IS ADDED AS FOLLOWS:

**APPROVED SUPERVISING STATION.** An alarm service provider’s UL listed, Type A, Full Service Central Station. The approved supervising station shall have the ability to relay the alarm to the (a) Sacramento Regional Fire/EMS Communications Center or (b) to the Sacramento International Airport Communication Center in an approved manner.

SECTION 202 “COMMERCIAL INDOOR GROWING OPERATION” IS ADDED AS FOLLOWS:

**COMMERCIAL INDOOR GROWING OPERATION.** Where not otherwise prohibited by law, the planting, cultivating, harvesting, and/or processing of indoor agricultural products.

SECTION 202 “FALSE ALARM” IS AMENDED AS FOLLOWS:

**FALSE ALARM**. The willful and knowing, or negligent initiation or transmission of a signal, message or other notification of an event of fire when no such danger exists.

SECTION 202 “SPRINKLER ALARM AND SUPERVISORY SYSTEM (SASS)” IS ADDED AS FOLLOWS:

**SPRINKLER ALARM AND SUPERVISORY SYSTEM (SASS).** A dedicated function fire alarm system located at the protected premise installed specifically to monitor sprinkler water flow alarm, valve supervision and general trouble conditions where a building fire alarm system is <u>not</u> required.

SECTION 315.4 “OUTSIDE STORAGE” IS AMENDED AS FOLLOWS:

**Section 315.4 Outside Storage.** Outside storage of pallets and combustible materials shall not be located within 10 feet (3048 mm) of a structure or lot line.

**Exceptions:**

1. The separation distance is allowed to be reduced to 3 feet (914 mm) for storage not exceeding 6 feet (1829 mm) in height.
2. The separation distance is allowed to be reduced where the fire code official determines that no hazard to the adjoining property exists.

SECTION 315.4.3 “PILE DIMENSIONS” IS ADDED AS FOLLOWS:

**Section 315.4.3 Pile Dimensions.** Single pile dimensions for outside storage of pallets and other combustible materials shall not exceed 25 feet by 100 feet or 2,500 square feet. The maximum pile height shall be 12-feet.

SECTION 401.5.1 "COST RECOVERY" IS ADDED AS FOLLOWS:

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**Section 401.5.1 Cost Recovery.** All costs incurred by the fire department related to any response to a false or nuisance alarm may be charged to that person causing the transmission of the false or nuisance alarm, or to that person's firm or corporation.

SECTION 503.1.2.1 "ONE OR TWO-FAMILY DWELLING RESIDENTAL DEVELOPMENTS" IS ADDED AS FOLLOWS:

**Section 503.1.2.1 One- or two-family dwelling residential developments.** Developments of one- or two-family dwellings where the number of dwelling units exceed thirty-nine (39) shall be provided with two (2) separate and approved fire apparatus access roads.

SECTION 503.1.2.2 "REMOTENESS" IS ADDED AS FOLLOWS:

**Section 503.1.2.2** Remoteness**.** Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight line between accesses.

Section 503.6 "SECURITY GATES" IS AMENDED AS FOLLOWS:

**Section 503.6 Security gates.** The installation of security gates across a fire apparatus access road shall be authorized by the Chief and meet the minimum requirements of The County Emergency Access Gates and Barriers Standard.

Section 503.6.1 "ELECTRIFIED SECURITY FENCES" IS ADDED AS FOLLOWS:

**Section 503.6.1 Electrified security fences.** Electrified security fences, where permitted by the building official of the municipality, must be approved by the Fire District prior to installation.

SECTION 505.1 "ADDRESS IDENTIFICATION" IS AMENDED AS FOLLOWS:

**Section 505.1 Address Identification.** New and existing buildings shall be provided with approved address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property. Address identification characters shall contrast with their background. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall not be spelled out. Each character shall be not less than 6 inches (152.4 mm) high with a minimum stroke width of ½ inch (12.7 mm). Where required by the fire code official, address identification shall be provided in additional approved locations to facilitate emergency response. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address identification shall be maintained.

SECTION 505.1.1 "ILLUMINATION" IS ADDED AS FOLLOWS:

**Section 505.1.1 Illumination.** Address identification shall be internally or externally illuminated on all new buildings and existing buildings undergoing alterations. An illuminated directory board shall be required at every entrance where deemed necessary by the fire code official.

SECTION 507.1.1 "WATER SUPPLIES FOR SUBURBAN AND RURAL FIREFIGHTING" IS ADDED AS FOLLOWS

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**Section 507.1.1 Water supply for Suburban and Rural Firefighting**. Where the standards of this code cannot be met for development in rural areas, a fire sprinkler system and/or pressurized water system acceptable to the AHJ shall be provided to meet the required water supply. Such proposals shall also be subject to NFPA 1142.

SECTION 507.5.1 "WHERE REQUIRED" IS AMENDED AS FOLLOWS:

**Section 507.5.1 Where required.** Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 300 feet (91.44m) from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains capable of supplying the required fire flow shall be provided where required by the fire code official.

**Exception:** Group R-3 and Group U Occupancies, equipped throughout with an approved automatic fire sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.3, the distance requirement shall be not more than 400 feet (121.92m)

SECTION 901.4.6 "PUMP AND RISER ROOM SIZE" IS AMENDED AS FOLLOWS:

**Section 901.4.6 Fire Control Room.** An approved fire control room shall be provided for all new buildings protected by an automatic fire sprinkler system. The fire control room shall contain all system control valves, fire alarm control panels and other fire equipment required by the fire code official. Clearances around equipment to elements of permanent construction, including other installed equipment and appliances, shall be sufficient to allow inspection, service, repair or replacement without removing such elements of permanent construction or disabling the function of a required fire-resistance-rated assembly. Fire control rooms shall be located within the building at a location approved by the fire code official, and shall be provided with a means to access the room directly from the exterior. Fire control rooms containing fire pumps shall be constructed in accordance with the California Building Code and NFPA 20. Durable signage shall be provided on the exterior side of the fire control room access door to identify the fire control room.

**Exception:** Group R-3 Occupancies.

SECTION 901.6.2.2 "ELECTRONIC FILING" IS ADDED AS FOLLOWS:

**Section 901.6.2.2 Electronic filing.** When required by the fire code official, records of all system inspections, tests and maintenance required by the referenced standards and Title 19 of the California Code of Regulations shall be submitted to the Authority Having Jurisdiction electronically.

SECTION 901.6.3 "QUALIFICATIONS" IS ADDED AS FOLLOWS:

**Section 901.6.3 Qualifications.** All individuals or companies installing, repairing, testing, servicing or maintaining mechanical smoke removal systems, smoke and heat vents and other fire protection systems or appliances shall follow the state and local licensure regulations or have the appropriate license required by the California State Fire Marshal's Office.

SECTION 903.2. "WHERE REQUIRED" IS AMENDED AS FOLLOWS:

**Section 903.2 Where required.** Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in Sections 903.2.1 through

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903.2.20. For the provisions of this section, portions of buildings separated by fire walls shall not be considered separate buildings.

**Exception**:

1. Non-combustible, detached canopies open on four sides not exceeding the basic allowable area in CBC Table 506.2 used exclusively for the parking or storage of private or recreational vehicles and non-combustible storage (includes fuel islands).

SECTION 903.2.1.1 "GROUP A-1" IS AMENDED AS FOLLOWS:

**903.2.1.1 Group A-1**. An automatic sprinkler system shall be provided for fire areas containing Group A-1 occupancies and intervening floors of the building where one of the following conditions exists:

1. The fire area exceeds 3,599 square feet (334.36 $m^2$).
2. The fire area has an occupant load of 300 or more.
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The fire area contains a multi-theater complex

SECTION 903.2.1.2 "GROUP A-2" IS AMENDED AS FOLLOWS:

**903.2.1.2 Group A-2**. An automatic sprinkler system shall be provided for fire areas containing Group A-2 occupancies and intervening floors of the building where one of the following conditions exists:

1. The fire area exceeds 3,599 square feet (334.36 $m^2$);
2. The fire area has an occupant load of 100 or more; or
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The structure exceeds 3,599 square feet (334.36 $m^2$), contains more than one fire area containing a Group A-2 occupancy, and is separated into two or more buildings by fire walls of less than 4-hour fire-resistance rating without openings.

SECTION 903.2.1.3 "GROUP A-3" IS AMENDED AS FOLLOWS:

**903.2.1.3 Group A-3**. An automatic sprinkler system shall be provided for fire areas containing Group A-3 occupancies and intervening floors of the building where one of the following conditions exists:

1. The fire area exceeds 3,599 square feet (334.36 $m^2$);
2. The fire area has an occupant load of 300 or more; or
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.
4. The structure exceeds 3,599 square feet (334.36 $m^2$), contains more than one fire area containing exhibition and display rooms, and is separated into two or more buildings by fire walls of less than 4-hour fire-resistance rating without openings.

SECTION 903.2.1.4 "GROUP A-4" IS AMENDED AS FOLLOWS:

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**903.2.1.4 Group A-4**. An automatic sprinkler system shall be provided for fire areas containing Group A-4 occupancies and intervening floors of the building where one of the following conditions exists:

1. The fire area exceeds 3,599 square feet (334.36 $m^2$);
2. The fire area has an occupant load of 300 or more; or
3. The fire area is located on a floor other than a level of exit discharge serving such occupancies.

SECTION 903.2.2.1 "GROUP B" IS ADDED AS FOLLOWS:

**Section 903.2.2.1 Group B occupancies**. An automatic sprinkler system shall be provided throughout buildings containing a Group B occupancy where the fire area exceeds 3,599 square feet (334.36 $m^2$)

SECTION 903.2.3 "GROUP E" IS AMENDED AS FOLLOWS:

**903.2.3 Group E**. An automatic sprinkler system shall be provided for Group E occupancies as follows:

1. Throughout all Group E fire areas greater than 3,599 square feet (334.36 $m^2$) in area.
2. Throughout every portion of educational buildings below the lowest level of exit discharge serving that portion of the building.

   **Exception**: An automatic sprinkler system is not required in any area below the lowest level of exit discharge serving that area where every classroom throughout the building has at least one exterior exit door at ground level.
3. In rooms or areas with special hazards such as laboratories, vocational shops and other such areas where hazardous materials in quantities not exceeding the maximum allowable quantity are used or stored.
4. Throughout any Group E structure greater than 3,599 square feet (334.36 $m^2$) in area, which contains more than one fire area, and which is separated into two or more buildings by fire walls of less than 4-hour fire resistance rating without openings.
5. For public school state funded construction projects see Section 903.2.19.
6. For public school campuses, Kindergarten through 12th grade, see Section 903.2.20

SECTION 903.2.4 "GROUP F-1" IS AMENDED AS FOLLOWS:

**903.2.4 Group F-1**. An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:

1. A Group F-1 fire area exceeds 3,599 square feet (334.36 $m^2$).
2. A Group F-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds 3,599 square feet (334.36 $m^2$).
4. A Group F-1 occupancy used for the manufacture of upholstered furniture or mattresses exceeds 2,500 square feet (232 m2).

SECTION 903.2.7 "GROUP M" IS AMENDED AS FOLLOWS:

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**903.2.7 Group M.** An automatic sprinkler system shall be provided throughout buildings containing a Group M occupancy where one of the following conditions exists:

1. A Group M fire area exceeds 3,599 square feet (334.36 $m^2$).
2. A Group M fire area is located more than three stories above grade plane.
3. The combined area of all Group M fire areas on all floors, including any mezzanines, exceeds 3,599 square feet (334.36 $m^2$).
4. A Group M occupancy used for the display and sale of upholstered furniture or mattresses 3,599 square feet (334.36 $m^2$).
5. The structure exceeds 3,599 square feet (334.36 $m^2$), contains more than one fire area containing a Group M occupancy, and is separated into two or more buildings by fire walls of less than 4-hour fire resistance rating without openings.

SECTION 903.2.9 "GROUP S-1" IS AMENDED AS FOLLOWS:

**903.2.9 Group S-1.** An automatic sprinkler system shall be provided throughout all buildings containing a Group S-1 occupancy where one of the following conditions exists:

1. A Group S-1 fire area exceeds 3,599 square feet (334.36 $m^2$).
2. A Group S-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group S-1 fire areas on all floors, including any mezzanines, exceeds 3,599 square feet (334.36 $m^2$).
4. A Group S-1 fire area used for the storage of commercial motor vehicles where the fire area exceeds 3,599 square feet (334.36 $m^2$).
5. A Group S-1 occupancy used for the storage of upholstered furniture or mattresses exceeds 2,500 square feet (232 m2).

SECTION 903.2.9.1 "REPAIR GARAGES" IS AMENDED AS FOLLOWS:

**903.2.9.1 Repair garages.** An automatic sprinkler system shall be provided throughout all buildings used as repair garages in accordance with Section 406.8 of the California Building Code, as shown:

1. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding 3,599 square feet (334.36 $m^2$).
2. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding 3,599 square feet (334.36 $m^2$).
3. Buildings with repair garages servicing vehicles parked in basements.
4. A Group S-1 fire area used for the repair of commercial motor vehicles where the fire area exceeds 3,599 square feet (334.36 $m^2$).

SECTION 903.2.10 "GROUP S-2 ENCLOSED PARKING GARAGES" IS AMENDED AS FOLLOWS:

**903.2.10 Group S-2 enclosed parking garages.** An automatic sprinkler system shall be provided throughout buildings classified as enclosed parking garages in accordance with Section 406.4 as follows:

1. Where the fire area of the enclosed parking garage exceeds 3,599 square feet (334.36 $m^2$); or
2. Where the enclosed parking garage is located beneath other groups. Exception: Enclosed parking garages located beneath Group R-3 occupancies.

SECTION 903.2.10.1 "COMMERCIAL PARKING GARAGES" IS AMENDED AS FOLLOWS:

**903.2.10.1 Commercial parking garages.** An automatic sprinkler system shall be provided throughout buildings used for storage of commercial motor vehicles where the fire area exceeds 3,599 square feet (334.36 $m^2$).

SECTION 903.2.18 "GROUP U PRIVATE GARAGES AND CARPORTS ACCESSORY TO GROUP R-3 OCCUPANCIES" IS AMENDED AS FOLLOWS:

SECTION 903.2.18 "GROUP U PRIVATE GARAGES AND CARPORTS ACCESSORY TO GROUP R OCCUPANCIES"

**903.2.18 Group U private garages and carports accessory to Group R occupancies.** Carports with habitable space above or garages within 6-feet of a Group R occupancy, shall be protected by fire sprinklers in accordance with this section. Fire sprinklers shall be installed in accordance with NFPA 13D, or NFPA 13 as applicable.

**Exception:** An automatic fire sprinkler system shall not be required when additions or alterations are made to existing carports and/or garages that do not have an automatic fire sprinkler system installed in accordance with this section.

SECTION 903.2.20 "COVERED FLOATING STRUCTURES" IS ADDED AS FOLLOWS:

**Section 903.2.20 Covered floating structures.** A fire sprinkler system shall be provided for all covered floats, marinas, piers, and any/all other covered floating structures that are commercially operated and exceed 3,599 square feet (334.36 m2).

SECTION 903.3.8.4 "SUPERVISION" IS AMENDED AS FOLLOWS:

**Section 903.3.8.4 Supervision**. Control valves shall not be installed between the water supply and sprinklers unless the valves are of an approved indicating type that are supervised and secured in the open position.

SECTION 903.3.9 "FLOOR CONTROL VALVES" IS AMENDED AS FOLLOWS:

**Section 903.3.9 Floor control valves**. Individual floor control valves and water-flow detection assemblies shall be installed at each floor in multi-story buildings at an approved location

**Exception:** Group R-3 and R-3.1 occupancies.

SECTION 903.4.1 "MONITORING" IS AMENDED AS FOLLOWS:

**Section 903.4.1 Monitoring**. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved supervising station and shall sound an audible signal at a constantly attended location.

**Exceptions:**

1. Underground key or hub valves in roadway boxes provided by the municipality or public utility are not required to be monitored.
2. Backflow prevention device test valves located in limited area sprinkler system supply piping shall be locked in the open position. In occupancies required to be equipped with a fire alarm system, the backflow preventer valves shall be electrically supervised by a tamper switch installed in accordance with NFPA 72 and separately annunciated.

SECTION 903.4.2 “ALARMS” IS AMENDED AS FOLLOWS:

**Section 903.4.2 Alarms**. One exterior approved audible and visual device, located on the exterior of the building in an approved location, shall be connected to each automatic sprinkler system. Such sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

SECTION 903.4.3 “FLOOR CONTROL VALVES” IS AMENDED AS FOLLOWS:

**Section 903.4.3 Floor control valves.** Approved supervised indicating control valves shall be provided at the point of connection to the riser on each floor in multi-story buildings

SECTION 903.4.5 “MONITORING” IS AMENDED AS FOLLOWS:

**Section 903.4.5 Monitoring.** Where a building fire alarm system or sprinkler alarm and supervisory system (SASS) is installed, automatic fire-extinguishing systems shall be monitored by the building fire alarm system or sprinkler alarm and supervisory system (SASS) in accordance with NFPA 72.

SECTION 903.6.1 "AUTOMATIC SPRINKLERS IN EXISTING BUILDINGS AND STRUCTURES" IS ADDED AS FOLLOWS:

**Section 903.6.1 Automatic sprinklers in existing buildings and structures**. An automatic sprinkler system shall be provided as follows:

1. When there is a change in occupancy type that results in an increased life safety or fire risk as determined by the fire code official and the structure is 3,600 square feet (334.45 m2) or greater, an automatic fire sprinkler system shall be installed throughout the building.
2. In existing buildings and structures 3,600 square feet (334.45 m2) or greater, where the floor area of the building or structure is increased.

   **Exception**: When the building increase is to accommodate state mandated ADA improvements and is less than 500 (46.45 m2) square feet.
3. In existing buildings and structures less than 3,600 (334.45 m2) square feet, where the floor area of the building or structure is increased to a total square footage of 3,600 (334.45 m2) or greater.

   **Exception**: When the building increase is to accommodate state mandated ADA improvements and is less than 500 (46.45 m2) square feet.

SECTION 903.6.2 "MONITORING" IS ADDED AS FOLLOWS:

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**Section 903.6.2 Monitoring.** When required by the fire code official, valves controlling the water supply for automatic sprinkler systems, pumps, tanks, water levels and temperatures, critical air pressures, and water flow switches on all existing sprinkler systems shall be monitored by an approved supervising station.

SECTION 907.2 "WHERE REQUIRED – NEW BUILDINGS AND STRUCTURES" IS AMENDED AS FOLLOWS:

**Section 907.2 "Where required – new buildings and structures**. An approved fire alarm system installed in accordance with the provisions of this code and NFPA 72 shall be provided in new buildings and structures in accordance with sections 907.2.1 through 907.2.23 and provide occupant notification in accordance with section 907.5, unless other requirements are provided by another section of this code.

Not fewer than one manual fire alarm box shall be provided in an approved location to initiate a fire alarm signal for fire alarm systems employing automatic fire detectors or water-flow detection devices. Where other sections of this code allow elimination of fire alarm boxes due to sprinklers, or automatic fire alarm systems, a single fire alarm box shall be installed at a location approved by the enforcing agency.

**Exceptions:**

1. The manual fire alarm box is not required for fire alarm control units dedicated to elevator recall control or supervision of duct detectors.
2. The manual fire alarm box is not required for Group R-2 occupancies unless required by the fire code official to provide a means for fire watch personnel to initiate an alarm during a sprinkler system impairment event. Where provided, the manual fire alarm box shall not be located in an area that is accessible to the public.
3. The manual fire alarm box is not required to be installed when approved by the fire code official.

SECTION 907.6.6. "MONITORING" IS AMENDED AS FOLLOWS:

**Section 907.6.6 Monitoring.** Fire alarm systems required by this chapter or by the California Building Code shall be monitored by an approved supervising station in accordance with NFPA 72 and this section.

**Exceptions:** Monitoring by a supervising station is not required for:

1. Single and multiple-station smoke alarms required by Section 907.2.11
2. Group I-3 occupancies shall be monitored in accordance with Section 907.2.6.3
3. Automatic sprinkler systems in one and two-family dwellings
4. Where approved by the fire code official, existing buildings without an alarm system which install hood extinguishing systems or special extinguishing systems.

SECTION 1028.5.1 EXIT DISCHARGE SURFACE" IS ADDED AS FOLLOWS:

**Section 1028.5.1 Exit discharge surface**. Exterior exit pathway surfaces shall be suitable for pedestrian use in inclement weather and shall terminate at a public way as defined in the California Building Code.

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SECTION 5003.9.1.2 "EMERGENCY RESPONSE SUPPORT INFORMATION" IS ADDED AS FOLLOWS:

**Section 5003.9.1.2 Emergency response support information**. Floor plans, material safety data sheets (MSDS), Hazardous Materials Management Plans (HMMP), Hazardous Material Inventory Statement (HMIS), and other information must be stored at a readily accessible location, as determined by the fire code official. This location may be in cabinets located outside the facilities or buildings. Information may be required in a specific electronic format.

SECTION 5003.9.1.3 "DOCUMENTATION" IS ADDED AS FOLLOWS:

**Section 5003.9.1.3 Documentation**. Evidence of compliance with provisions of this chapter, as well as with State and Federal hazardous material regulations, shall be maintained on site and available for inspection by fire department personnel.

Chapter 80 "REFERENCED STANDARDS" is amended as follows:

~~NFPA 13R—16 Installation of Sprinkler Systems in Residential Occupancies up to and including Four Stories in Height as amended* . .~~

APPENDIX B TABLE NO. B105.1 (1) "REQUIRED FIRE-FLOW FOR ONE-AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES" IS AMENDED AS FOLLOWS:

**TABLE NO. B105.1 (1)**
**REQUIRED FIRE-FLOW FOR ONE-AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES**

| FIRE FLOW CALCULATION AREA (square feet) | AUTOMATIC SPRINKLER SYSTEM (Design Standard) | MINIMUM FIRE-FLOW (gallons per minute) | FLOW DURATION (hours) |
|---|---|---|---|
| 0 – 3,600 | No automatic sprinkler system | 1000 | 1 |
| 3,601 and greater | No automatic sprinkler system | Value in Table B105.1 (2) | Duration in Table B105.1 (2) at the required flow rate |
| 0 – 3,600 | Section 903.3.1.3 of the California Fire Code or Section 313.3 of the California Residential Code | ~~500~~ 1000 | 1 |
| 3,601 and greater | Section 903.3.1.3 of the California Fire Code or Section 313.3 of the California Residential Code | ½-value in Table B105.1 (2)[a] | 1 |

## ATTACHMENT 1

a. The reduced fire-flow shall not be less than 1,000 gallons per minute for a duration of 1 hour.

SECTION B105.1.1 "ADDITIONS TO ONE AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES," IS ADDED AS FOLLOWS:

**Section B105.1.1 Additions to one and two-family dwellings, Group R-3 and R4 buildings and townhouses.** The minimum fire flow and flow duration for one- and two-family dwellings, Group R-3 and R-4 buildings and townhouses that undergo an addition of 50% or greater and the resulting square feet exceeds 3,599 shall be as specified in Table B105.1

SECTION B105.2 "BUILDINGS OTHER THAN ONE AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES," IS AMENDED AS FOLLOWS:

**Section B105.2 Buildings other than one- and two-Family dwellings, Group R-3 and R4 buildings and townhouses.** The minimum fire flow and flow duration for buildings other than one- and two-family dwellings, Group R-3 and R-4 buildings and townhouses shall be as specified in Tables B105.2 and B105.1(2).

**Exceptions:**

1. Group B, S-2 and U occupancies having a floor area not exceeding 1,000 square feet, primarily constructed of noncombustible exterior walls with wood or steel roof framing, having a Class A roof assembly, with uses limited to the following or similar uses:
    1. California State Parks buildings of an accessory nature (restrooms).
    2. Safety roadside rest areas, (SRRA), public restrooms.
    3. Truck inspection facilities, (TIF), CHP office space and vehicle inspection bays.
    4. Sand/salt storage buildings, storage of sand and salt.
2. Group U occupancies accessory to a one or two-family dwelling.
3. A reduction in required fire flow of up to 50 percent is permitted when the building is provided with an automatic sprinkler system approved pursuant installed in accordance with 903.3.1.1. The resulting fire flow shall not be less than 1500 gallons per minute (5677.5 L/min.). Reduction of fire flow does not apply to required fire flow duration.
4. A reduction in required fire flow of up to 75 percent is permitted for warehouse buildings of Type I, Type II, and Type III-B construction and provided with early suppression fast response fire sprinkler systems. The resulting fire flow shall not be less than 1500 gallons per minute (5677.5 L/min.). Reduction of fire flow does not apply to required fire flow duration.

APPENDIX B, TABLE NO. B105.2, REQUIRED FIRE-FLOW FOR BUILDINGS OTHER THAN ONE-AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES is amended as follows:

**TABLE NO. B105.2**
**REQUIRED FIRE-FLOW FOR BUILDINGS OTHER THAN ONE-AND TWO-FAMILY**

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## DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES

| AUTOMATIC SPRINKLER SYSTEM (Design Standard) | MINIMUM FIRE-FLOW (gallons per minute) | FLOW DURATION (hours) |
|---|---|---|
| No automatic sprinkler system | Value in Table B105.1 (2) | Duration in Table B105.1 (2) |
| Section 903.3.1.1 of the California Fire Code | 50% of the Value in Table B105.1 (2)[a] | Duration in Table B105.1 (2) at the required flow rate |

a. The reduced fire-flow shall not be less than 1,500 gallons per minute.

SECTION C102.1 "MINIMUM NUMBER OF FIRE HYDRANTS FOR A BUILDING" IS AMENDED AS FOLLOWS:

**C102.1 Minimum number of fire hydrants for a building.** Unless otherwise approved by the fire code official, the number of fire hydrants available to a building shall be not less than the minimum specified in Table C102.1.

TABLE NO. C102.1 "REQUIRED NUMBER AND SPACING OF FIRE HYDRANTS" IS AMENDED AS FOLLOWS:

**TABLE NO. C102.1**
**REQUIRED NUMBER AND SPACING OF FIRE HYDRANTS**

| FIRE FLOW REQUIREMENT (gpm) | MINIMUM NO. OF HYDRANTS | AVERAGE SPACING BETWEEN HYDRANTS [a, b, c, e] (Ft.) | MAXIMUM DISTANCE FROM HYDRANT TO ANY POINT ON STREET OR ROADWAY FRONTAGE (Ft.) |
|---|---|---|---|
| 1750 or less | 1 | 300 | 150 |
| 2000-2250 | 2 | 300 | 150 |
| 2500 | 3 | 300 | 150 |
| 3000 | 3 | 300 | 150 |
| 3500-4000 | 4 | 300 | 150 |
| 4500-5000 | 5 | 300 | 150 |
| 5500 | 6 | 300 | 150 |
| 6000 | 6 | 250 | 150 |
| 6500-7000 | 7 | 250 | 150 |
| 7500 or more | 8 or more[d] | 200 | 120 |

a. Reduce by 150 feet for dead-end streets or roadways.

b. Where streets are provided with median dividers that cannot be crossed by fire fighters pulling hose lines, or where arterial streets are provided with four or more traffic lanes or street width is in excess of 88 feet (26.82m), hydrant spacing shall average 300 feet on each side of the street and be arranged on an alternating basis.

c. Where new water mains are extended along streets where hydrants are not needed for protection of structures or similar fire problems, fire hydrants should be provided at spacing not to exceed 1,000 feet (305m) to provide for transportation hazards. In addition, there shall be at least one hydrant at each intersection.

d. One Hydrant for each 1,000 gallons per minute or fraction thereof.

e. Average spacing between fire hydrants may be extended to 500 feet (152.4m) on streets serving one and two-family dwellings.

SECTION C104.2 "SINGLE OUTLET FIRE HYDRANTS" IS ADDED AS FOLLOWS:

**Section C104.2 Single outlet fire hydrants**. Where required by the fire code official, existing single outlet 2 $^1/_2$ inch fire hydrants shall be changed to an approved steamer style fire hydrant, when the following conditions occur:

1. The recoding of a tentative subdivision or parcel map
2. A lot merger or split
3. The modification of an existing structure resulting in an increased fire flow
4. A change in occupancy type, use, or character of the building that results in an increased life safety or fire risk, as determined by the fire code official

SECTION C104.3 "WATER MAIN IMPROVEMENTS" IS ADDED AS FOLLOWS:

**Section C104.3 Water main improvements**. Where water main improvements are required to meet GPM flow and the existing water main has a single 2 $^1/_2$ inch outlet fire hydrant, an upgrade to an approved steamer style fire hydrant will be required.

SECTION C104.4 "RIGHT OF WAY IMPROVEMENTS" IS ADDED AS FOLLOWS:

**Section C104.4 Right of way improvements**. Existing fire hydrants affected by right of way improvements shall be moved to an approved location.

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SECTION C106.1 "HYDRANT TYPE" IS ADDED AS FOLLOWS:

**Section C106.1 Hydrant type**. The fire code official shall approve the type of fire hydrants to be installed in public right of way or on private property prior to any such installation.

**17.04.060 Repeal of Conflicting Ordinances.**

All former fire prevention ordinances or parts thereof conflicting or inconsistent with the provision of this ordinance or of the code hereby adopted are hereby repealed.

**17.04.070 Validity.**

The City of Rancho Cordova hereby declares that should any section, paragraph, sentence, or word of this ordinance or of the code hereby adopted be declared for any reason to be invalid, it is the intent of the city council that it would have passed all other portions of this ordinance independent of the elimination therefrom of any such portion as may be declared invalid.

**Section 3.** Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance

**ATTACHMENT 1**

which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

**Section 4.** Effective Date and Publication

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

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ___ day of ________________ by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Elizabeth Sparkman, Community Development Director and Jeanette Cervantes, Management Technician

**SUBJECT:** **A RESOLUTION CREATING SPECIAL TAX AREA ZONE 24 AND AN ORDINANCE ESTABLISHING A SPECIAL TAX FOR TRANSIT-RELATED SERVICES FOR THE EUROPEAN PARTS DEPOT PROJECT**

## RECOMMENDATION

Adopt a Resolution creating special tax area Zone 24; and introduce and waive first reading of an Ordinance, establishing a special tax for transit-related services for the European Parts Depot project.

## RESULT OF RECOMMENDED ACTION

Adoption of the Resolution and Ordinance will assist the City in meeting the costs of providing transit-related services by creating a special tax area zone and establishing a special tax for transit-related services for the European Parts Depot project.

## BACKGROUND

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

The City Council, on September 18, 2017, adopted Resolution No. 123-2017 approving the Design Review construction a 17,560 square foot industrial warehouse building, known as the European Parts Depot project. Matsoyan, LLC is the current property owner of the approximately 1.32 acre site. The provision of funding to provide transit-related services by approving a special tax was made a condition of approval for the design review.

This item will establish tax area Zone 24, the boundaries of which will be contiguous to the boundaries of the European Parts Depot project. In addition to creating the special tax, the Ordinance will also set the date for the transit-related services tax election, which will be held on November 14, 2018, at which time the ballot(s) will be tabulated by the City, and the results be declared at the City Council meeting on December 3, 2018.

## FISCAL IMPACT

There is no fiscal impact to the City's General Fund.

## ATTACHMENTS

1. Resolution
2. Exhibit A to Resolution - Boundary Map
3. Ordinance Establishing a Special Tax for Transit-Related Services Subject to Voter Approval within the European Parts Depot Project
4. Exhibit A to Ordinance – Boundary Map
5. Exhibit B to Ordinance – Property Land Use Category

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, CREATING SPECIAL TAX AREA ZONE 24 FOR THE EUROPEAN PARTS DEPOT PROJECT**

**WHEREAS**, it is the intention of the City Council to create Zone 24 within the City of Rancho Cordova Transit-Related Services Special Tax Area and authorize an election; and

**WHEREAS**, it is the intention of the City Council to adopt an Ordinance establishing a special tax for transit-related services within Zone 24; and

**WHEREAS**, the City recognizes the need for increased transit-related services in Zone 24 and the difficulty of funding the current or increased level of services with revenues now available; and

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

**WHEREAS**, the City Council approved the Major Design Review for construction of a 17,560 square-foot industrial warehouse building, known as the European Parts Depot project. The provision of funding to provide transit-related services was made a condition of approval for the project. Condition No. 26 of the Major Design Approval requires the property owner/applicant to participate in the provision of funding to provide transit-related services for the project. This will be accomplished by the property owner(s) participation in the transit-related services special tax area.

**WHEREAS,** the transit-related services tax as inflated to Fiscal Year 2018-2019 is $68.89 per low density residential dwelling unit or low density residential dwelling unit equivalent, $55.11 per medium density residential dwelling unit or medium density residential dwelling unit equivalent, $41.33 per high density residential dwelling unit or high density residential dwelling unit equivalent, $1,766.34 per retail and service commercial acre, $1,518.34 per commercial mixed use or office acre, and $633.47 per light industrial acre, subject to an annual inflator formula based on the Consumer Price Index for the San Francisco-Oakland-San Jose Area, or six percent, whichever is less. Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the transportation tax); and

**WHEREAS**, for the purposes of this Resolution, a “voter” entitled to vote on the creation of Zone 24 is a person who owns real property within Zone 24, as shown on the last equalized assessment role prepared by the Sacramento County Assessor’s Office, at the time that the City Council submits an ordinance authorizing the imposition of a transit-related services tax to the voters of Zone 24. At the time that the Council adopted this Resolution, there were zero (0) registered voters residing within Zone 24 and one property owner. Because the Transit-Related Services Special Tax will be imposed on property in Zone 24 and paid by the owner of the property, the Council finds that restricting the vote on the Transit-Related Services Special Tax

**ATTACHMENT 1**

to property owners in Zone 24 is appropriate and consistent with the principles and requirements of California Constitution article XIIIC (Proposition 218).

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

1. That portion of the City of Rancho Cordova shown on the Map, Exhibit A hereto is established as Zone 24 of the Rancho Cordova Transit-Related Services Special Tax Area.

2. That Ordinance, reviewed and approved by the City Council on the same date as the Resolution, is to be presented for approval of the voter of Zone 24 by a mail ballot election, to be held on November 14, 2018. The ballot proposition shall read as follows:

   "Shall Ordinance No. XX-2018 of the City Council of the City of Rancho Cordova be approved so as to authorize a special tax on property located in Zone 24 of the Rancho Cordova Transit-Related Services Special Tax Area to maintain the present level of transit-related services and provide additional funding for increased transit-related services?"

3. The City Clerk is directed to take all steps necessary to conduct the election required by this order. Said election shall be conducted by mailed ballot pursuant to Elections Code Section 4000 and shall be held November 14, 2018.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

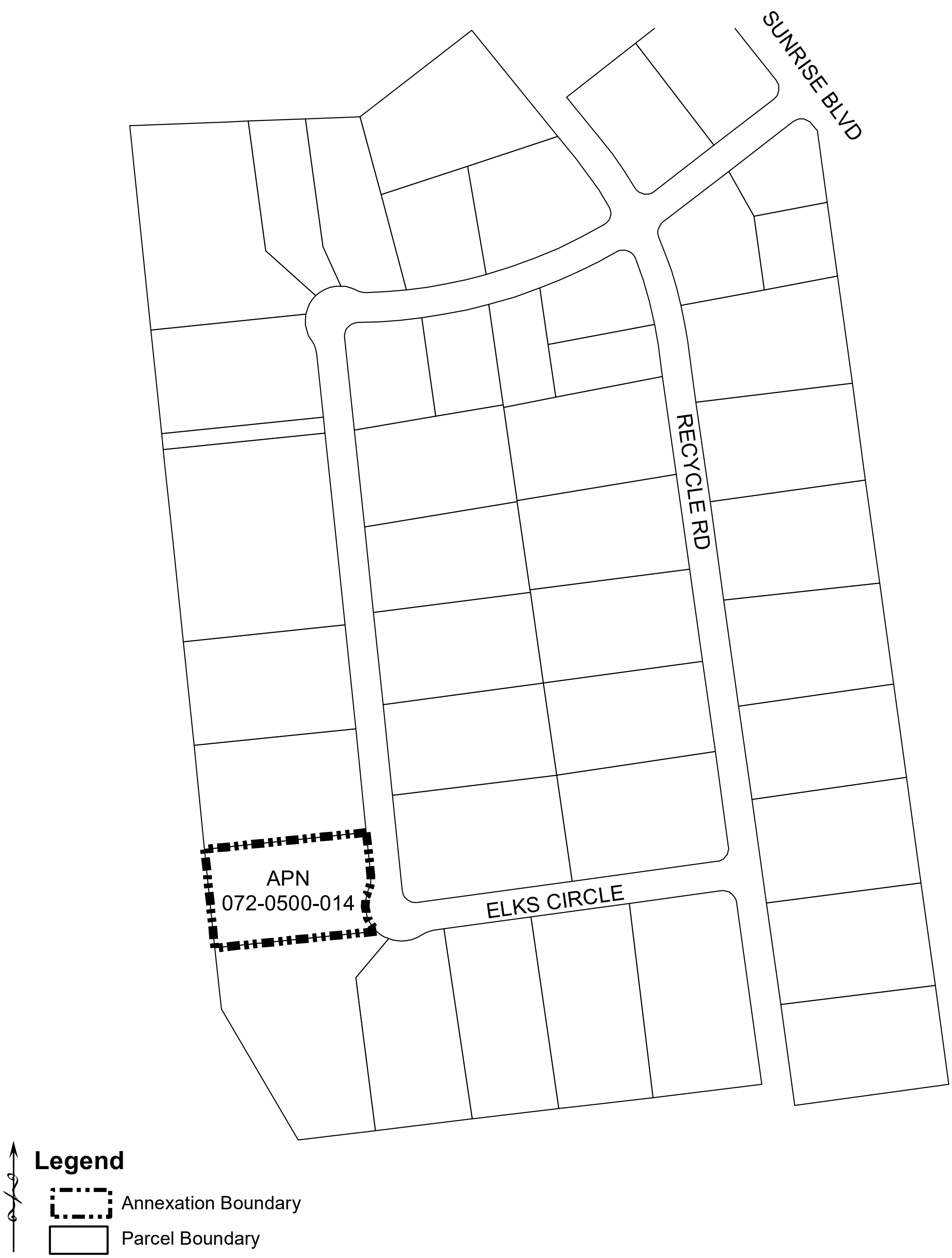
______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

**ATTACHMENT 2**
**Exhibit A to the Resolution**

CITY OF RANCHO CORDOVA
TRANSIT RELATED SERVICES SPECIAL TAX AREA
ANNEXATION 24
(EUROPEAN PART DEPO PROJECT)



**ATTACHMENT 3**

**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. XX-2018**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, ESTABLISHING A SPECIAL TAX FOR TRANSIT-RELATED SERVICES FOR THE EUROPEAN PARTS DEPOT PROJECT SUBJECT TO VOTER APPROVAL**

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

Section 1. Purpose, Intent and Authority.

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

It is the purpose and intent of this non-codified Ordinance to generate additional funds to pay for transit-related services by authorizing the levy of a tax on improved parcels of real property on the secured property tax roll of Sacramento County that are within Zone 24 of the Rancho Cordova Transit-Related Services Special Tax Area (the "Zone").

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

The revenues raised by this tax are to be used solely for the purpose of providing transit-related services as are deemed necessary by the City Council for the benefit of the residents and/or employees of Zone 24.

At the time that the Council adopted this non- codified Ordinance, there were zero (0) registered voters residing in Zone 24 and one (1) property owner. Because the Transit-Related Services Special Tax will be imposed on property in Zone 24 and paid by the owners of the property, the Council finds that restricting the vote on the Transit-Related Services Special Tax to property owners in Zone 24 is appropriate and consistent with the principles and requirements of California Constitution article XIIIC (Proposition 218).

Section 2. Definitions.

The following definitions shall apply throughout this Ordinance.

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

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

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

D. “Parcel" means the land and any improvements thereon, designated by an assessor’s parcel map and parcel number and carried on the secured property tax roll of Sacramento County. For the purposes of this Ordinance, parcel does not include any land or improvements outside the boundaries of Zone 24 nor any land or improvements owned by any governmental entity.

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

F. “Rancho Cordova Transit-Related Services Special Tax Area Zone 24 (the “Zone”)” means that portion of the incorporated area of the City of Rancho Cordova located within the boundaries as shown on the map Exhibit A.

G. “Transit-Related Services” means providing, operating, maintaining and subsidizing transit services and all supporting facilities, infrastructure, programs and incentives that benefit the residents of the Rancho Cordova Transit-Related Services Special Tax Area, and shall be calculated and set according to the methodology described in Engineer’s Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, September 7, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

H. “Voter” means a person who owns real property within Zone 24, as shown on the last equalized assessment role prepared by the Sacramento County Assessor’s Office, at the time that the City Council adopts an ordinance authorizing the imposition of a transit-related services tax to the voters of Zone 24.

Section 3. Amount and Level of Taxes.

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

A. For First Fiscal Year:

The tax per year for the first fiscal year (July 1, 2018 through June 30, 2019) shall be the amount of Tax per Parcel for a Land Use Code Category as set forth on Exhibit B hereto. The use code assigned to each parcel shall be reviewed and updated periodically. Rates in Exhibit B shall be calculated and set according to the methodology described in Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, September 7, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

B. For Subsequent Fiscal Years:

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

In June or July of each year, City Council shall determine the amount of taxes to be levied upon the parcels in Zone 24 for the then current fiscal year, as set forth below.

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

| | | | | |
|---|---|---|---|---|
| Tax Per Parcel For then Current Fiscal Year | = | Tax Per Parcel For Immediately Preceding Fiscal Year | X | Consumer Price Index from April of immediately Preceding Fiscal Year to April of then Current Fiscal Year **OR** 6 percent, whichever is less |

Provided, however, that in no event shall the tax per parcel for any fiscal year be less than the amount established for the first fiscal year.

C. Nature of Tax Levy.

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

Section 4. Collection and Administration.

A. Taxes as Liens Against the Property.

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

B. Collection.

The taxes on each parcel shall be billed on the secured roll tax bills for ad valorem property taxes and are to be collected in the same manner in which Sacramento County collects secured roll ad valorem property taxes. Insofar as feasible and insofar as not inconsistent with this Ordinance, the times and procedures regarding exceptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes (as established by Sacramento County) shall be applicable to the collection of this tax. Notwithstanding anything to the contrary in the foregoing, as to this tax:

1. The secured roll tax bills shall be the only notices required for this tax, and

2. The homeowners and veteran's exemptions shall not be applicable because such exemptions are determined by dollar amount of value.

C. Costs of Administration by County.

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

D. Use of Tax Revenue.

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

E. Refunds.

1. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once, or has been erroneously or illegally collected or received by the City pursuant to this ordinance, it may be refunded as provided in this Section.

2. No refund may be made except upon a written claim verified by the person who paid the tax or by his or her guardian or conservator or the executor or administrator of his or her will or estate and stating the grounds upon which the claim is made. All claims filed pursuant to this subsection must be presented within one year after payment of the amount for which the claimant is seeking a refund.

3. No order of a refund may be made until a written claim therefor has been presented in accordance with this subsection. No suit for money, damages or a refund may be brought against the City until a written claim therefor has been presented to the City and has been acted upon or has been deemed rejected by the City, in accordance with this subsection. Only the person who filed the claim may bring such a suit, and if another person should do so, judgment shall not be rendered for the plaintiff.

F. Initiatives to Affect Tax.

Consistent with the California Constitution (art. XIIIC, § 3) the tax imposed by this ordinance may be affected by initiative. The procedures for qualification of such an initiative and the election on a qualified initiative shall be consistent with the California Constitution (art. 2, sec. 8), the California Elections Code (Chapter 3 of Division 9), and the Municipal Code. The minimum number of signatures necessary to qualify an initiative to affect the tax approved by this ordinance shall be equal to 5 percent of the votes in the City for all candidates for Governor at the last gubernatorial election. The election on a qualified initiative to affect the tax shall be a regular citywide election. An initiative affecting the tax shall be approved only if at least two-thirds of the votes cast on the measure are in favor of its approval.

Section 5. Severability Clause.

If any article, section, subsection, sentence, phrase of clause of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The voters of Zone 24 hereby declare that they would have adopted the remainder of this Ordinance, including each article, section, subsection, sentenced phrase or clause, irrespective of the invalidity of any other article, section, subsection, sentence, phrase or clause.

Section 6. Effective Date and Posting.

This Ordinance shall take effect immediately upon its approval by two-thirds of the voters voting within the Zone in an election to be held on November 14, 2018 so that taxes shall first be collected hereunder for the tax year beginning July 1, 2019.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ___ day of _____________ 2018, by the following vote of the City Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

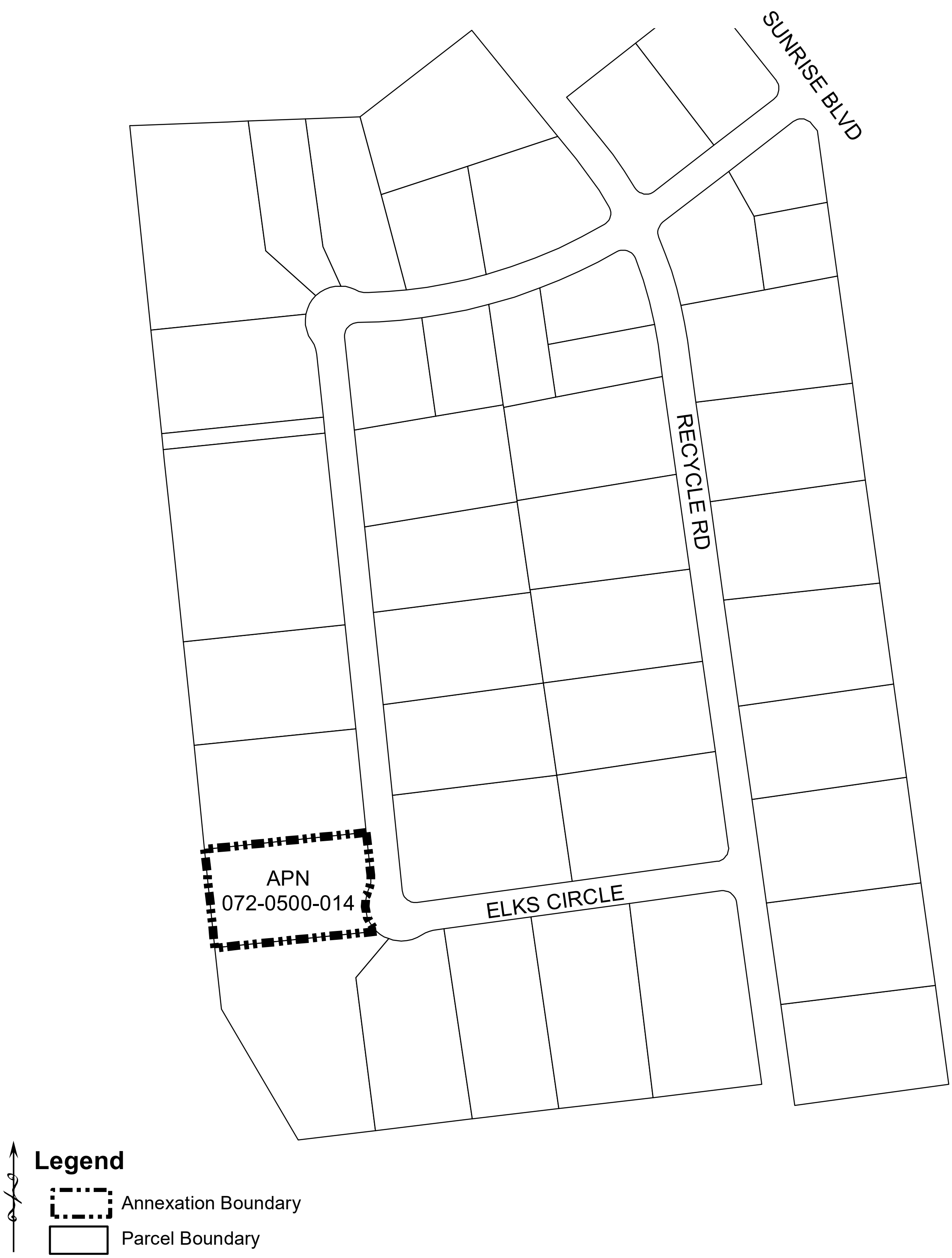
_________________________________
Linda Budge, Mayor

**ATTEST:**

_________________________________
Stacy Leitner, City Clerk

**ATTACHMENT 4**
**Exhibit A to Ordinance**

CITY OF RANCHO CORDOVA
TRANSIT RELATED SERVICES SPECIAL TAX AREA
ANNEXATION 24
(EUROPEAN PART DEPO PROJECT)



# ATTACHMENT 5
# Exhibit B to Ordinance

## Amount of Tax per Parcel by Land Use Category

A. Residential Dwelling Units

As adjusted for inflation from the original base year, the amount of Tax per Parcel for fiscal year 2018-2019 for Residential Land Use Categories shall be $68.89 per low density residential dwelling unit or low density residential dwelling unit equivalent, $55.11 per medium density residential dwelling unit or medium density residential dwelling unit equivalent, or $41.33 per high density residential dwelling unit or high density residential dwelling unit equivalent (Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the Transit-Related Services Special Tax).

B. Non-Residential

As adjusted for inflation from the original base year, the amount of Tax per Parcel for fiscal year 2018-2019 for Non-Residential Land Use Categories (except Recreational and Agricultural) shall be $1,766.34 per retail and service commercial acre, $1,518.34 per commercial mixed use or office commercial acre, and $633.79 per light industrial acre.

C. Inflator Formula

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

# MEMORANDUM

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Kim Juran-Karageorgiou, Administrative Services Director
Michelle Mingay, Sr. Finance Analyst

**SUBJECT:** **ACTION ITEMS RELATED TO THE FORMATION OF CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

## RECOMMENDATION

Staff recommends Council adopt the following items:

1. Resolution Forming a Community Facilities District and Levying a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
2. Resolution Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
3. Resolution Calling for a Special Election in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
4. Resolution Declaring Election Results for City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
5. Waive First Reading and Introduce Ordinance Levying a Special Tax within City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.

## RESULT OF RECOMMENDED ACTION

Adoption of these items will complete the formation of the City of Rancho Cordova Grantline 208 Community Facilities District 2018-1 (the “CFD”) and authorize a landowner vote which, if successfully passed, authorizes the levy of a special tax. The special tax levy associated with this CFD is for the purpose of financing the acquisition and construction of, and the payment of fees for, the public facilities in and for the Community Facilities District. There is no financial impact to existing residents.

## BACKGROUND

At the meeting on August 20, 2018, the City initiated the process of forming City of Rancho Cordova Grantline 208 Community Facilities District 2018-1 for the Grantline 208 Development Project; a project which is an approximate 210 acre parcel in the northeast portion of the Sunridge Specific Plan Area and is bounded by Grant Line Road on the east and is approximately 1,700 feet south of Douglas Road. The project anticipates the development of 6 villages with lots that are 45’ x 105’ and 55’ x 105’ in size. The project also includes an elementary site that is planned to be sold to the Elk Grove Unified School District but the school site is zoned for residential development in the event the district does not purchase the site.

Community Facilities Districts are commonly used throughout California to finance infrastructure and services in new development areas. The CFD is proposed to have a facilities special tax that will be levied on residential property within the development until all bonds issued by the district have been fully repaid. The facilities special tax will range between $2,000 and $2,450 per single family unit, in the base year, and will increase at a rate of 2% per year for the life of the tax. The special tax will be authorized to support up to $35,000,000 in bonds, the proceeds of which will be used to finance the acquisition and construction of, and the payment of fees for, the public facilities in and for the Community Facilities District.

The Resolution of Intention adopted by the City Council on August 20, 2018 set October 1, 2018 at 5:30 pm, or as soon thereafter as the matter may be heard, for the hearing on the actual formation of the CFD and the levy of the special tax and the sale of bonds.

The documents attached to this report will complete the formation and levy the special tax. The following descriptions correspond to the Item numbers in the "Attachments" listing below:

1. **A Resolution of Formation of Community Facilities District.** This officially forms the CFD, authorizes the special taxes to be collected and calls for the required property owner vote on the levy of taxes and the establishment of an appropriations limit for the CFD (under Article XIIIB of the Constitution). The Exhibit(s) to this Resolution show the facilities and impact fees to be financed and the formula by which the special taxes will be levied in the CFD.

2. **A Resolution Determining Necessity to Incur Bonded Indebtedness Within Community Facilities District.** This makes the determination to issue bonds to be financed by the special taxes. The amount is a "not to exceed" and includes amounts to cover improvements to be financed in later series of bonds. This Resolution also calls for the required landowner vote on the issuance of bonds.

3. **A Resolution Calling Special Election.** This sets the election for October 1, 2018 and provides the form of the special ballot to be used by the landowner-voter. Calling the election and actually having the election on the same night is allowed under CFD law due to the fact that all the landowners in the CFD have waived certain time requirements for proceeding to the election.

4. **A Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien.** This is for adoption by the Council after the vote is announced by the City Clerk. It confirms the outcome of the property owner election for the CFD. Attached to it is a copy of the official Canvass and Statement of Result of Election to be completed by the Clerk for the City's record in connection with the opening of ballots and announcement of results. This Resolution also directs the filing of the Notice of Special Tax Lien against the lands in the CFD to allow collection of the special tax on each property.

5. **An Ordinance Levying Special Taxes Within City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.** Under the law, the Council must levy the special taxes by ordinance. Under the ordinance, the levy is made once by the adoption of this Ordinance, and, in each year hereafter, the process of determining the special taxes and processing the collection is done administratively by the Administrative Services Director (or a consultant) and no further Council action is needed.

6a. **Order of Proceedings.** This is a guide for the Mayor, City Council and City Clerk to use to facilitate the required public hearing and landowner vote process. The document outlines the agenda to be followed to conduct the public hearing and adoption of the items needed to complete the formation of the CFD, to hold the special election and to take the final actions for the special tax and bonds authorization.

6b. **Certificate of City Clerk Regarding Waiver (of Certain Election Requirements) and Consent.** This is to be completed by the City Clerk for the City's record in connection with the ballot/election procedure and acknowledges receipt of waivers from the property owner(s).

6c. **Notice of Special Tax Lien.** This is the document to be completed by the Clerk and recorded with the County Recorder subsequent to the meeting. It establishes a lien in favor of the City to allow for the collection and enforcement of the special taxes.

6e. **CFD Report.** This is the required report that shows the facilities (public improvements) to be financed by the CFD. The City was directed to prepare this report by the first Resolution of Intention adopted for the CFD on August 20, 2018. It shows the estimated costs of the various facilities along with the costs to issue the bonds and to administer the CFD. A copy of this report should be filed with the City Clerk as part of the proceedings

Taking the above actions will conclude the formation process for the CFD. The approval of bond documentation, which provides for the issuance of the anticipated CFD bonds, will be the subject of a future meeting.

## ATTACHMENTS

1. Resolution Forming a Community Facilities District and Levying a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
2. Resolution Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
3. Resolution Calling for a Special Election in City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
4. Resolution Declaring Election Results for City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
5. Ordinance Levying a Special Tax within City of Rancho Cordova Grantline 208 Community Facilities District 2018-1.
6. Supporting Documentation
    a. Order of Proceedings
    b. City Clerk Certificate – Election Waiver and Consent
    c. Notice of Special Tax Lien
    d. CFD Report

**ATTACHMENT 1**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, TO FORM A COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**WHEREAS**, the City Council (the "City Council") of the City of Rancho Cordova (the "City") on August 20, 2018, adopted a resolution titled "A Resolution of the City Council of the City of Rancho Cordova Declaring Its Intention to Establish the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District" (the "Resolution of Intention") with respect to City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, the Resolution of Intention incorporates a map of the proposed boundaries of the CFD, states the facilities to be provided, the cost of providing such facilities and the rate and method of apportionment of the special tax to be levied within the CFD to pay principal of and interest on bonds proposed to be issued with respect to the CFD, and is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

**WHEREAS**, the facilities to be provided as stated in the Resolution of Intention are set forth in Exhibit A attached hereto and hereby made a part hereof (the "Facilities"); and

**WHEREAS**, the City Council noticed a public hearing to be held on October 1, 2018, all pursuant to the Act and the Resolution of Intention relating to the proposed formation of the CFD; and

**WHEREAS**, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

**WHEREAS**, at the hearing evidence was presented to the City Council on said matters before it, including a report caused to be prepared by the Administrative Services Director of the City (the "CFD Report") as to the facilities to be provided in the CFD and the costs thereof and incidental expenses related thereto, a copy of which is on file with the City Clerk, and the City Council at the conclusion of said hearing is fully advised in the premises; and

**WHEREAS**, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by fifty percent or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax; and

**WHEREAS**, the special tax proposed to be levied in the CFD to pay for the proposed facilities to be provided therein has not been eliminated by protest by fifty percent or more of the registered voters residing within the territory of the CFD or the owners of one-half or more of the area of land within the CFD and not exempt from the special tax;

**NOW THEREFORE, it is hereby ordered as follows:**

1. The foregoing recitals are true and correct.

2. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

3. The community facilities district designated "City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" of the City is hereby established pursuant to the Act.

4. The boundaries of the District are shown on proposed boundary map on file with the City Clerk, which was approved by the Resolution of Intention and filed for record on September 13, 2018 in the Office of the County Recorder of the County of Sacramento in Book 126 at Page 22 of the Maps of Assessment and Community Facilities Districts as file 201809130477.

5. The types of public facilities proposed to be provided within the District are set forth on Exhibit A attached to this Resolution and by this reference incorporated herein. The listing includes incidental expenses incurred and to be incurred in connection with the District and the issuance of bonds. The financing of the costs of Facilities may include, without limitation, the payment of principal of and interest on bonds, together with all direct, indirect periodic, and/or other related costs (including, without limitation, costs of administering the CFD, levying the Special Tax and administering the bonds, and establishing and replenishing reserve funds).

6. Certain public facilities proposed to be provided within the CFD include: (i) certain park and recreation facilities to be owned by the Cordova Recreation and Park District; (ii) certain water facilities to be owned by the Sacramento County Water Agency and; (iii) certain sanitary sewer facilities to be owned by the Sacramento Area Sewer District and Sacramento County Regional Sanitation District. As to each entity, the City proposes to enter into a separate Joint Community Facilities Agreement in accordance with Section 53316.2 of the Act, the form of each which shall be reviewed and approved by City staff, whereby, if such applicable facilities are constructed in accordance with required specifications and standards, each entity will accept such facilities for operation and maintenance and the City will pay for such acquisition costs under appropriate conditions and subject to an acquisition agreement between the City and certain owners of property in the District.

   The City Council hereby finds that such joint facilities agreements would be beneficial to the residents of the City. The City Council hereby authorizes the Administrative Services Director, the City Manager or such other person or persons as either of them may designate (collectively, the "Authorized Officers") are each hereby authorized and directed to execute such joint facilities agreements, for and in the name and on behalf of the City and the CFD, in such forms, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel or the City Attorney. The City shall not use the proceeds of the special tax of the CFD or of any bonds issued for the CFD for the acquisition of facilities to be owned by an entity other than the City unless and until such entity and the City have entered into such Joint Community Facilities Agreement.

7. Special Tax

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by the City Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and by this reference incorporated herein.

c. The Special Tax shall not be levied in the CFD after fiscal year 2064-65, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Special Tax levied against any parcel in the CFD to be used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the CFD by more than 10% over what they would have been levied if there were no delinquencies.

8. It is hereby found and determined that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD.

9. The office of the Administrative Services Director of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670 (916-851-8700) is designated as the office responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number, estimating future special tax levies and for establishing procedures to promptly respond to inquiries regarding estimates of future special tax levies. The City may contract with outside consultants to provide this service in lieu of the Administrative Services Director.

10. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases.

11. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at $6,100,000 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

**ATTACHMENT 1**

12. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of the City Council. The qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

13. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within the CFD, 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.

14. 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 providing for the form, execution and issuance of bonds.

15. This City Council now finds and determines that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act. This determination and finding is final and conclusive in accordance with Government Code Section 53325.1.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this 1st day of October, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

___________________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

# ATTACHMENT 1

## Exhibit A to the Resolution

## LIST OF FACILITIES

The Facilities and Services shown below are to be finance by the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the, "CFD").

**Facilities.** The Facilities which are proposed to be financed with the proceeds of the sales of bonds of the proposed CFD, or the payment of the fees to the appropriate jurisdiction with respect to such facilities proposed to be financed with the proceeds of the sale of bonds of the proposed CFD, are generally described as follows:

**Roadways, Local Drainage, Landscaping and Soundwalls**

R-1 Douglas Road

R-2North/South Road

R-3East/West Road

R-4Americanos Blvd

R-5 Americanos Blvd Bike Trail

**Park Improvements**

P-1 Neighborhood Green

**Sewer Facilities**

S-1 Any and all major Sewer facilities necessary to provide sewer service to Grantline 208

**Water Facilities**

W-1 Any and all major Water facilities necessary to provide water service to Grantline 208

**Drainage Facilities**

D-1 Any and all major Drainage facilities necessary to provide drainage conveyance, detention or water quality treatment for Grantline 208

**Impact and Sunridge Specific Plan Area Fees**

I-1 Transportation Development Impact Fee

I-2 Supplemental Transportation Development Impact Fee

I-3 Community Facilities Impact Fee

I-4 Community Facilities – Library Impact Fee

# ATTACHMENT 1

## Exhibit A to the Resolution

**Impact and Specific Plan Fees, continued**

I-5 Park Development Impact Fee

I-6 Park Renovation Fee

I-7 Sunrise Douglas Supplemental Offsite Water Specific Plan Fee

I-8 Sunrise Douglas Interim Sewer Specific Plan Fee

I-9 Sunrise Douglas Roadway Specific Plan Fee

**Engineering Studies, Permitting, Public Facilities Report, Financing Plan**

E-1 Consultant fees, application fees, processing fees, and document production costs associated with the CFD preparation and processing of Public Facilities Reports, Engineering Studies, CFD Reports, Financing Plans, Environmental Permitting, and Environmental Studies, as well as other costs associated with the District Formation and Bond Sales process.

**Other**

O-1 Any other facilities serving substantially the same purpose as the above described facilities.

O-2 Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District, or 2) repair or rehabilitate existing District facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

**Incidentals.** The bond related expenses authorized include the City, underwriters discount, financial advisor, appraisals, reserve fund balance, capitalized interest, bond counsel, disclosure counsel, special tax consultant, bond and official statement printing and all other incidental expenses.

Administrative fees include those of the City, the Community Facilities District, the Bond Trustee, the Special Tax Consultant and the Fiscal Agent, related to the Community Facilities District and the Bonds.

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208**
**COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

## A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre"** or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for the City and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

**"Administrator"** shall mean the person or firm designated by the City to administer the Special Tax according to this RMA.

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

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

**"Authorized Facilities"** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**"Base Special Tax"** means, for any Land Use Category, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

**"Bonds"** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

**"Building Permit"** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"CFD"** means the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1.

**"CFD Formation"** means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

**"City"** means the City of Rancho Cordova.

**"City Council"** means the City Council of the City of Rancho Cordova.

**"County"** means the County of Sacramento.

**"Developed Property"** means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property for which a Building Permit for new construction was issued prior to June 1 of the preceding Fiscal Year.

**"Development Class"** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**"Expected Land Uses"** means the number and Lot Type Category of SFD Lots expected within the CFD at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change.

**"Expected Maximum Special Tax Revenues"** means the aggregate Special Tax that can be levied based on application of the Base Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**"Expected Single Family Detached Property"** means all SFD Lots in the CFD that are Lot Type A or Lot Type B, as determined by the Administrator.

**"Final Map"** means a final map, or portion thereof, approved by the City or County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor's Parcels that are designated as remainder parcels.

**"Final Map Property"** means, in any Fiscal Year, all Parcels of Expected Single Family Detached Property for which a Final Map had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed Property.

**"First Bond Sale"** means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Parcels in the CFD.

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

**"Improvement Fund"** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities.

**"Indenture"** means the bond 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.

**"Land Use Category"** means the categories of land use identified in Table 1 in Section C below.

**"Land Use Change"** means a proposed or approved change to the Expected Land Uses after CFD Formation.

**"Lot Type A"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 55 feet by 105 feet (55' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type B"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 45 feet by 105 feet (45' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type Category"** means, individually, Lot Type A or Lot Type B. If there is any inconsistency between the designations in the Tentative Map and Final Map, or otherwise any confusion regarding the Lot Type Category for a particular SFD Lot, the City shall determine the appropriate Lot Type Category for the SFD Lot.

"**Maximum Special Tax**" means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C and D below.

**"Non-Residential Property"** means all Taxable Property in the CFD that has a commercial or industrial Zoning Designation, as determined by the City.

**"Other Taxable Residential Property"** means all Parcels of residential Taxable Property in the CFD that are developed or expected to be developed with: (i) SFD Lots that are not Lot Type A or Lot Type B, or (ii) residential units that are not SFD Units.

**"Owners Association"** means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

**"Owners Association Property"** means any property within the boundaries of the CFD that is owned in fee or by easement by the Owners Association, not including any such property that is located directly under a residential structure.

**"Proportionately"** means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

**"Public Property"** means any property within the boundaries of the CFD that is owned by the City, federal government, State of California or other public agency.

**"Required Coverage"** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**"Residential Unit"** means an SFD Unit or an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure, or apartment building. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered a Residential Unit for purposes of levying the Special Tax.

**"RMA"** means this Rate and Method of Apportionment of Special Tax.

**"SFD Lot"** means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**"SFD Unit"** means a residential unit that does not share a common wall with another residential unit.

**"Special Tax"** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

**"Special Tax Requirement"** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on prior delinquencies, are expected to occur in the current Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the City.

**"Taxable Owners Association Property"** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**"Taxable Property"** means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

**"Taxable Public Property**" means in any Fiscal Year after the First Bond Sale, any Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**"Tentative Map"** means a tentative map or substantial conformance exhibit for property in the CFD, as shown in Attachment 1 of this RMA and including any adjustments or amendments thereto.

**"Undeveloped Property"** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

**"Zoning Designation"** means the City of Rancho Cordova zoning designation that applies to a particular area within the CFD, as determined by the City.

## B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class, (ii) for Developed Property, categorize each Parcel as Expected Single Family Detached Property, Other Taxable Residential Property, or Non-Residential Property, (iii) for Expected Single Family Detached Property, categorize each SFD Lot as Lot Type A or Lot Type B, and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor Final Maps and track the Lot Type Category for Parcels in the CFD to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## C. MAXIMUM SPECIAL TAX

*1. Developed Property and Final Map Property*

The Maximum Special Tax for a Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

**Table 1**
**Base Special Tax**
**Developed Property and Final Map Property**

| Land Use | Lot Type Category | Base Special Tax Fiscal Year 2018-19 * |
|---|---|---|
| Expected Single Family Detached Property | Lot Type A | $2,450 per SFD Lot |
| Expected Single Family Detached Property | Lot Type B | $2,000 per SFD Lot |
| Other Taxable Residential Property | N/A | Tax per Residential Unit = ($14,032 per Acre * Acreage of Parcel)/ # of Residential Units on Parcel |
| Non-Residential Property | All Commercial and Industrial Designations | $14,032 per Acre |

*** On July 1, 2019 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

*2. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is $14,032 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

## D. CHANGES TO THE MAXIMUM SPECIAL TAX

*1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

**Prior to the First Bond Sale**, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

**After the First Bond Sale,** if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

**Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

**Step 2:** The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in the CFD after the Land Use Change based on application of the Base Special Taxes from Table 1.

**Step 3:** If the revenues calculated in Step 2 are (i) higher than those determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special

Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

**3.a.** The landowner requesting the Land Use Change (the "Requesting Landowner") may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, **or**

**3.b.** If a prepayment is not received by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there <u>is</u> a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by <u>multiple</u> landowners, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on a Parcel, the Maximum Special Tax for the Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Parcel is located.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to a Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

*2. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for the CFD. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

*3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

**Step 1:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

**Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.

**Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

**Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Special Tax Requirement.

**Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the

Maximum Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Special Tax Requirement.

## F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2064-65. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

## G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

(1) Public Property, except Taxable Public Property.

(2) Owners Association Property, except Taxable Owners Association Property.

(3) Parcels that are owned by a public utility for an unmanned facility.

(4) Parcels that are subject to an easement that precludes any other use on the Parcel.

(5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

## H. PREPAYMENTS

The following definitions apply to this Section H:

**"Outstanding Bonds"** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from

the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

**"Previously Issued Bonds"** means all Bonds that have been issued prior to the date of prepayment.

**"Public Facilities Requirements"** means either $15,700,000 in 2018 dollars, which shall increase on January 1, 2019, and on each January 1 thereafter by 2% of the amount in effect in the prior year or such other number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**"Remaining Facilities Costs"** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity and any other source of funding.

The Special Tax obligation applicable to a Parcel in the CFD may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

| | |
|---|---|
| Bond Redemption Amount | |
| plus | Remaining Facilities Amount |
| plus | Redemption Premium |
| plus | Defeasance Requirement |
| plus | Administrative Fees and Expenses |
| <u>less</u> | <u>Reserve Fund Credit</u> |
| equals | Prepayment Amount |

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

**Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax

Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.

**Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 2 of this RMA as adjusted by the Administrator after prepayments or Land Use Changes.

**Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "**Bond Redemption Amount"***).

**Step 4.** Compute the current Remaining Facilities Costs (if any).

**Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount"***).

**Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "**Redemption Premium"***).

**Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.

**Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

**Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the ***"Defeasance Requirement"***).

**Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "***Administrative Fees and Expenses"***).

**Step 11.** If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for

the Outstanding Bonds to be redeemed pursuant to the prepayment (the "***Reserve Fund Credit***").

**Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the "***Prepayment Amount***").

**Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

*2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## I. INTERPRETATION OF RMA

Interpretations may be made by Resolution of the Council to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

# ATTACHMENT 1

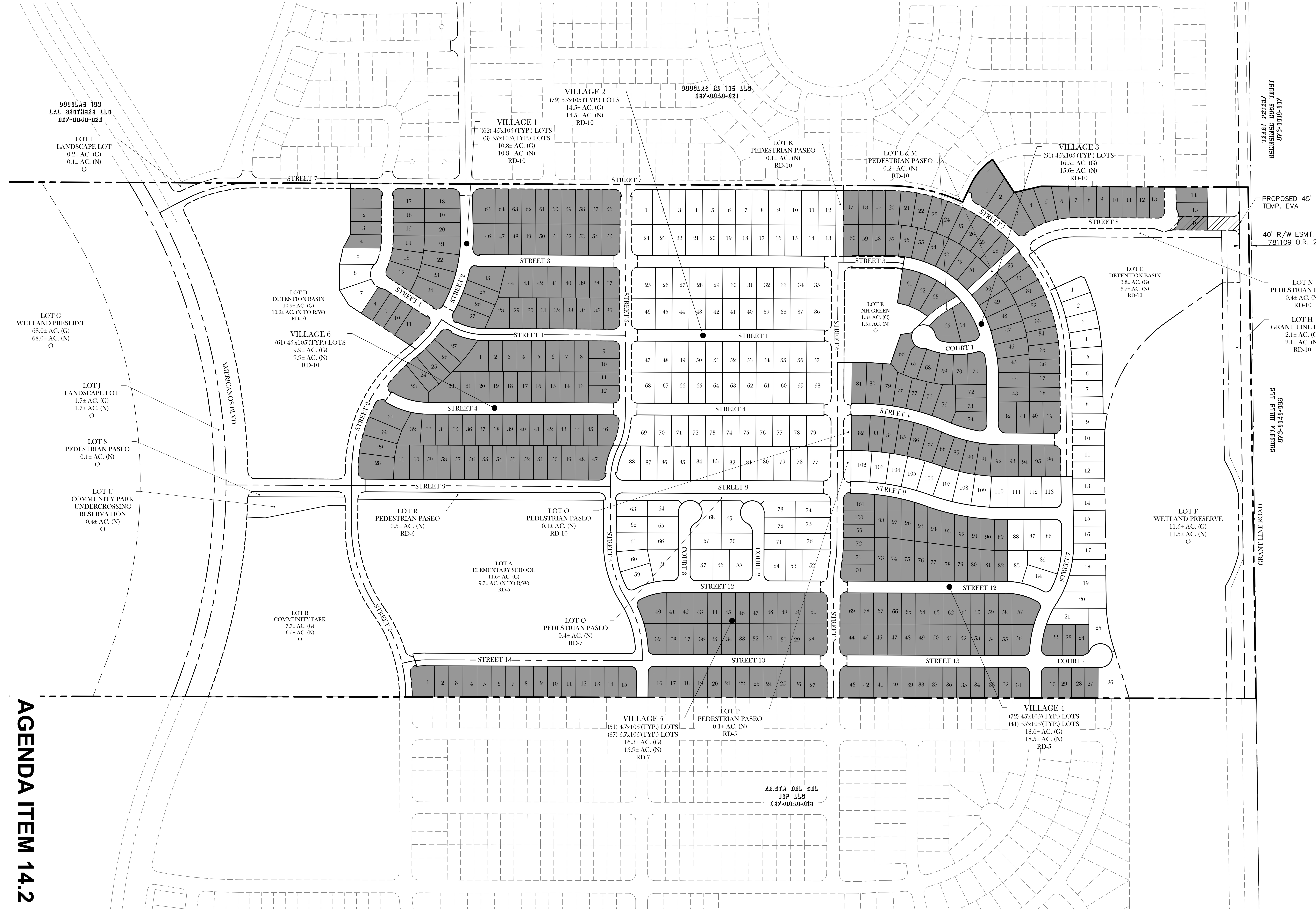
## CITY OF RANCHO CORDOVA
## GRANTLINE 208
## COMMUNITY FACILITIES DISTRICT NO. 2018-1

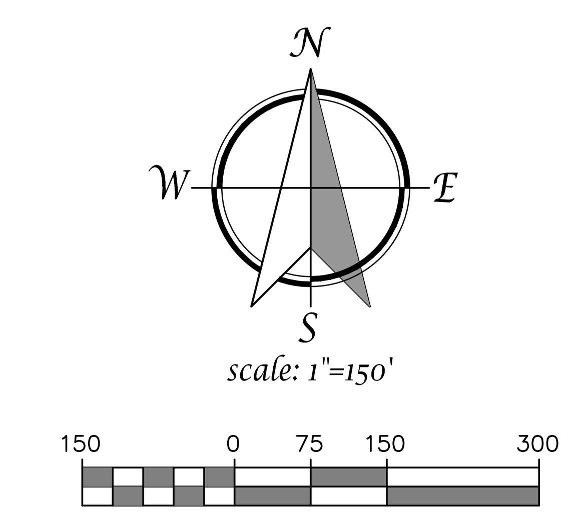
## TENTATIVE MAP

# SITE PLAN - COLOR EXHIBIT
# GRANTLINE 208
## RANCHO CORDOVA, CA

| TOTAL | |
|---|---|
| (grey) | 45' x 105' - 342 LOTS |
| (white) | 55' x 105' - 160 LOTS |

TOTAL : 502




COLOR EXHIBIT
JUNE 27, 2018

TSD ENGINEERING, INC.
expect more.
785 Orchard Drive, Suite #1
Folsom, CA 95630
Phone: (916) 608-0707
Fax: (916) 608-0701

AGENDA ITEM 14.2

## ATTACHMENT 2

## City of Rancho Cordova
## Grantline 208 Community Facilities District No. 2018-1
## Expected Land Uses and Expected Maximum Special Tax Revenues

| Village and Lot Type Category | Expected # of Residential Units | Base Special Tax (FY 2018-19) * | Expected Maximum Special Tax Revenues (FY 2018-19) * |
|---|---|---|---|
| Village 1 | | | |
| Lot Type A | 3 | $2,450 | $7,350 |
| Lot Type B | 62 | $2,000 | $124,000 |
| Village 2 | | | |
| Lot Type A | 79 | $2,450 | $193,550 |
| Lot Type B | 0 | $2,000 | $0 |
| Village 3 | | | |
| Lot Type A | 0 | $2,450 | $0 |
| Lot Type B | 96 | $2,000 | $192,000 |
| Village 4 | | | |
| Lot Type A | 41 | $2,450 | $100,450 |
| Lot Type B | 72 | $2,000 | $144,000 |
| Village 5 | | | |
| Lot Type A | 37 | $2,450 | $90,650 |
| Lot Type B | 51 | $2,000 | $102,000 |
| Village 6 | | | |
| Lot Type A | 0 | $2,450 | $0 |
| Lot Type B | 61 | $2,000 | $122,000 |
| **Expected Maximum Special Tax Revenues, FY 2018-19** | | | **$1,076,000** |

* On July 1, 2019 and each July 1 thereafter, the Base Special Tax and Expected Maximum Special Tax Revenues shall be increased by 2% of the amount in effect in the previous Fiscal Year.

**ATTACHMENT 2**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**WHEREAS**, the City Council (the "City Council") of the City of Rancho Cordova (the "City") on August 20, 2018, adopted a resolution titled "A Resolution of the City Council of the City of Rancho Cordova Declaring Its Intention to Establish the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 and to Levy a Special Tax Therein to Finance the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District" (the "Resolution of Intention") with respect to City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, the City Council has also adopted on August 20, 2018, a resolution titled "A Resolution of the City Council of the City of Rancho Cordova Declaring Its Intention to Incur a Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities and the Payment of Certain Fees in and for City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of $35,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

**WHEREAS**, the City Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain defined facilities (the "Facilities") by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness in the CFD and the administrative costs of the City relative to the CFD; and

**WHEREAS**, subsequent to the public hearing, the City Council adopted on October 1, 2018, a resolution titled "A Resolution of the City Council of the City of Rancho Cordova to Form a Community Facilities District and to Levy a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" (the "Resolution of Formation"); and

**WHEREAS**, the City Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

**WHEREAS**, No written protests with respect to the matters material to the questions set forth in the Resolution Determining Necessity have been filed with the City Clerk;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, AS FOLLOWS:**

1. The foregoing recitals are true and correct.

2. The City Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of $35,000,000 within the boundaries of the CFD for the purpose of financing the costs of the Facilities, as provided in the Resolution of Intention and the Resolution of Formation including, but not limited to, the costs of issuing and selling bonds to finance the Facilities and the costs of the City in establishing and administering the CFD.

3. The whole of the CFD shall pay for the bonded indebtedness through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit B to the Resolution of Formation.

4. Indebtedness in the maximum amount of $35,000,000 is hereby authorized subject to voter approval. Indebtedness subject to this limit shall only include indebtedness evidenced by bonds or notes and shall not include bonds described in Section 53364.2(e) of the Act. The bonds or notes may be issued in such series and may mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as the City Council or its designee shall determine, at the time or times of sale of such bonds or notes; provided, however, that the interest rate or rates shall not exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds or notes or any series thereof shall have a maximum term of not to exceed 40 years.

5. The proposition of incurring the bonded indebtedness herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of the City Council.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this 1st day of October, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

________________________________
Linda Budge, Mayor

**ATTEST:**

________________________________
Stacy Leitner, City Clerk

**ATTACHMENT 3**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA CALLING A SPECIAL ELECTION IN CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**WHEREAS**, the City Council (the "City Council") of the City of Rancho Cordova (the "City") on October 1, 2018, adopted Resolution No. ____-2018 titled "A Resolution of the City Council of the City of Rancho Cordova to Form a Community Facilities District and to Levy a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1", ordering the formation of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "CFD") (the "Resolution of Formation"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, the City Council has also adopted, on October 1, 2018, a resolution titled "A Resolution of the City Council of the City of Rancho Cordova Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of $35,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

**WHEREAS**, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, AS FOLLOWS:**

1. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

2. The City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by the City Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, the City Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

3. The City Council hereby calls a special election to consider the measures described in Section 1 above, which election shall be held on October 1, 2018, and the results thereof canvassed at the meeting of the City Council on October 1, 2018. The City Clerk is

hereby designated as the official to conduct the election and to receive all ballots until 5:30 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. The City Council hereby finds that paragraphs (a), (b), and (c) (1) of Section 4000 and Section 4108 are applicable to this special election, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

4. As authorized by Section 53353.5 of the Act, the three propositions described in Section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit A and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit A, to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the election official.

5. The City Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, the City Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. The City Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act

6. The City Council hereby finds that the proposed debt issuance constitutes a “local bond measure” within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall include the propositions set forth above and the following: (a) the specific purpose of the bonds shall be as set forth in the propositions; (b) any proceeds received from the sale of any bonds shall be applied only to the purposes set forth in the propositions; (c) the proceeds of any bonds shall be deposited into special accounts to be created therefor as part of the issuance of the bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

**ATTACHMENT 3**

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this 1st day of October, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

**ATTACHMENT 3**
**Exhibit A to the Resolution**

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**
**CITY OF RANCHO CORDOVA, SACRAMENTO COUNTY, CALIFORNIA**

## SPECIAL ELECTION BALLOT
## (Mailed-Ballot Election)

This ballot is for a special, landowner election for the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City **no later than the hour of 5:30 p.m. on October 1, 2018, either by mail or in person**. The City Clerk's office is located at 2729 Prospect Park Drive, Rancho Cordova, California 95670.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

The estimated amount of money to be raised annually by this measure is $2,700,000, based upon full build-out of the CFD at the end of the CFD term, and the rate and duration of the special tax is as set forth in the rate and method of apportionment of special taxes for the CFD.

> **BALLOT MEASURE**: **Shall the measure** pursuant to which (i) the City of Rancho Cordova shall incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed $35,000,000 (excluding bonds described in Section 53364.2(e) of the California Government Code) with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Grantline 208 Community Facilities District No. 2018-1 (the "CFD"), the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses; (ii) a special tax payable solely from lands within the CFD be levied annually, commencing in the City's fiscal year 2018-19 upon lands within the CFD to pay for the principal and interest upon such bonds, to pay the costs of the City in administering the CFD, and to pay for the costs of acquiring and/or constructing certain facilities; and (iii) the annual appropriations limit of the CFD shall be established in the amount of $6,100,000 **be adopted**?

**YES:** __________

**NO:** __________

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the this vote or the application of such waivers.

APN(s): __________
Total Acreage: ________
Number of votes: _______

By: ________________________________

________________________

**ATTACHMENT 4**

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, DECLARING ELECTION RESULTS OF CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**WHEREAS**, on October 1, 2018 the City Council adopted a resolution entitled "A Resolution of the City Council of the City of Rancho Cordova to Form a Community Facilities District and to levy a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "Resolution of Formation"), ordering the formation of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, the City Council has also on October 1, 2018 adopted a resolution entitled "A Resolution of the City Council of the City of Rancho Cordova Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of $35,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

**WHEREAS**, under the provisions of the Resolution of Formation and the Resolution Determining Necessity, and pursuant to a resolution entitled "A Resolution of the City of Rancho Cordova Calling Special Election in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" (the "Election Resolution") heretofore adopted by the City Council, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of the CFD as required by the provisions of the Act; and

**WHEREAS**, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

**WHEREAS**, the City Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, AS FOLLOWS:**

1. The foregoing recitals are all true and correct.

2. The issues presented at the special election were the levy of a special tax within the CFD, the incurring of a bonded indebtedness in the maximum aggregate principal amount of $35,000,000 (excluding refunding bonds described in Section 53364.2(e) of

**ATTACHMENT 4**

the California Government Code), and the approval of an annual appropriations limit of not to exceed $6,100,000 all pursuant to the Resolution of Formation and the Resolution Determining Necessity.

3. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds (2/3) of the votes cast at the special election.

4. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by the City Council with respect to the CFD were valid and in conformity with the Act.

5. The City Council declares that the special tax is lawfully authorized, and that the subject property within the District is subject to the special tax, and directs the City Clerk to complete, execute and cause a Notice of Special Tax Lien with respect to the property to be recorded in the office of the County Recorder of the County of Sacramento in the form required by the Act, such recording to occur no later than 15 days following adoption by the City Council of this resolution.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this ____ day of ____________, 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________________
Linda Budge, Mayor

**ATTEST:**

______________________________
Stacy Leitner, City Clerk

# ATTACHMENT 4
# Exhibit A to the Resolution

## CERTIFICATE OF CITY CLERK
## RE: ELECTION RESULTS

## CITY OF RANCHO CORDOVA
## GRANTLINE 208
## COMMUNITY FACILITIES DISTRICT NO. 2018-1

I, the undersigned City Clerk of the City of Rancho Cordova (the "City") hereby certify:

I have personally received and assembled all ballots eligible to be cast in the special mailed-ballot, landowner election called by the City Council in its “A Resolution of the City Council of the City of Rancho Cordova Calling Special Election in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1” adopted October 1, 2018, and in accordance with my instructions contained in that Resolution, I hereby declare the election closed.

I personally, in the presence of the City Council, and members of the public and City staff, counted the ballots and certify the result of that count to be as follows:

**BALLOT MEASURE**: **Shall the measure** pursuant to which (i) the City of Rancho Cordova shall incur an indebtedness and issue bonds in the maximum aggregate principal amount of not to exceed $35,000,000 (excluding bonds described in Section 53364.2(e) of the California Government Code) with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Grantline 208 Community Facilities District No. 2018-1 (the “CFD”), the proceeds of which bonds will be used to acquire and/or construct certain facilities and fees and pay for the costs of issuing the bonds and related expenses; (ii) a special tax payable solely from lands within the CFD be levied annually, commencing in the City’s fiscal year 2018-19 upon lands within the CFD to pay for the principal and interest upon such bonds, to pay the costs of the City in administering the CFD, and to pay for the costs of acquiring and/or constructing certain facilities; and (iii) the annual appropriations limit of the CFD shall be established in the amount of $6,100,000 **be adopted**?

QUALIFIED LANDOWNER VOTES _____

TOTAL VOTES CAST "YES" _____

TOTAL VOTES CAST "NO" _____

TOTAL VOTES CAST _____

THE VOTES CAST "YES" EQUAL _______% OF THE TOTAL VOTES CAST.

I make this Certification on ___________, 2018.

______________________________
Stacy Leitner, City Clerk

**ATTACHMENT 5**

**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. XX-2018**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, LEVYING A SPECIAL TAX WITHIN CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1**

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

**Section 1.** Pursuant to Government Code Sections 53328 and 53340, and in accordance with the Rate and Method of Apportionment of Special Tax (the "Special Tax Formula") as shown in Exhibit B to a Resolution titled "A Resolution of the City Council of the City of Rancho Cordova to Form a Community Facilities District and to Levy a Special Tax in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1" ("Resolution of Formation") adopted by this City Council on October 1, 2018, a special tax is hereby levied on all taxable parcels within City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "District") for the 2018-19 tax year and for all subsequent years of the authority to levy this special tax.

**Section 2.** The Administrative Services Director of the City is directed, with the aid of the appropriate officers and agents of the City, to implement the provisions of the Special Tax Formula and to prepare each year, without further action of this City Council, the special tax roll for the District and to provide as necessary information to the Sacramento County Auditor in the form, and in the proper time, necessary to effect the proper billing and collection of the special tax on the secured property tax roll of the County, which may include a billing of the special tax for fiscal year 2018-19 without regard to the timing of the issuance of bonds for the District and the circumstance that bonds are not issued as of the date of submission to the County for billing; alternatively, pursuant to the Resolution of Formation, the special tax for fiscal year 2018-19 and subsequent years may, at the option of the City, be billed directly to owners of property in the District by the Administrative Services Director of the City or other official of the City and need not be collected on the County secured property tax roll.

**Section 3.** The appropriate officers and agents of the City and of the County of Sacramento are authorized to make adjustments to the special tax roll prior to the final posting of the special taxes to the County tax roll each year, as may be necessary to achieve a correct match of the special tax levy with the assessor's parcel numbers finally utilized by the County in sending out property tax bills.

**Section 4.** The City agrees that the County of Sacramento may deduct its reasonable and agreed charges for collecting the special tax from the amounts collected, prior to remitting the balance of the special tax collections to the City.

**Section 5.** If for any cause any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of this ordinance, and the application of the special tax to the remaining parcels, shall not be affected.

## ATTACHMENT 5

**Section 6.** Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced immediately upon its adoption.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the ___ day of _____________ 2018, by the following vote of the City Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

__________________________________
Linda Budge, Mayor

**ATTEST:**

__________________________________
Stacy Leitner, City Clerk

**ATTACHMENT 6A**

**City of Rancho Cordova**
**Grantline 208**
**Community Facilities District No. 2018-1**

**ORDER OF PROCEEDINGS FOR HEARINGS AND ACTIONS**

1. The Mayor makes opening remarks to the following effect:

   "This is the time and place for the public hearings in this Council's proceedings for City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1. The hearings are to inquire into the formation of the District, the levy of special taxes in the District and the need to incur bonded indebtedness in the District.

   "Before I formally open the hearings, are there any property owners or registered voters in the District who wish to file written protests? If so, they must be filed with the City Clerk now.

   *[Pause to see if there are any protests.]*

2. The Mayor Opens the hearings

   a) Time for comments, questions and protests from audience.

3. The Mayor Closes the hearings.

   a) Time for City Council questions.

4. The City Council considers and takes the following action on the first three resolutions:

   a) ADOPTION OF: Resolution of Formation of Community Facilities District;
   b) ADOPTION OF: Resolution Determining the Necessity to Incur Bonded Indebtedness Within Community Facilities District; and
   c) ADOPTION OF: Resolution Calling Special Election

5. The Mayor call for the election results with remarks to the following effect:

   "At this time, I ask the City Clerk to open the ballot(s) and announce the results of the election."

   *[Pause for opening of ballot(s).]*

6. The City Clerk opens the ballot(s) and announces the results of the election with remarks to the following effect:

   "I have received 100% of the ballots and they have passed by more than 2/3$^{rds}$ of the vote."

7. The City Clerk then completes one copy of the Certificate of City Clerk Re: Election Results

8. The Mayor then announces:

   "The results of the election being unanimously in favor of the levy of the special taxes, the establishment of the appropriations limit and the incurring of bonded indebtedness, we may now proceed with the final actions for the District."

9. The City Council considers and takes the following actions*:*

   *(a)* *ADOPTION OF:* Resolution Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien

   *(b)* *WAIVE FIRST READING AND INTRODUCE:* Ordinance of the City Council of the City of Rancho Cordova Levying Special Taxes within City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1

**END OF ITEM**

**ATTACHMENT 6B**

**CERTIFICATE OF CITY CLERK**
**RE: WAIVER (OF CERTAIN ELECTION REQUIREMENTS) AND CONSENT**

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208**
**COMMUNITY FACILITIES DISTRICT NO. 2018-1**
**SACRAMENTO COUNTY, CALIFORNIA**

I, Stacy Leitner, City Clerk of the City of Rancho Cordova, hereby certify:

I have received, and now have in my possession as a permanent part of the City's record of this election, Election Waivers executed by the authorized representative of all landowner(s) to be included in City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1, Sacramento County, California (the "District"), as provided by the owners of all the property in the District.

I make this Certification as of October 1, 2018.

________________________________
Stacy Leitner, City Clerk

**ATTACHMENT 6C**

**RECORDING REQUESTED BY AND**
**WHEN RECORDED PLEASE RETURN TO:**

City Clerk
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Telephone: (916) 851-8700

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NOTICE OF SPECIAL TAX LIEN**

CITY OF RANCHO CORDOVA
GRANTLINE 208
COMMUNITY FACILITIES DISTRICT NO. 2018-1
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53324 of the Government Code, the undersigned, City Clerk of the City of Rancho Cordova, hereby gives notice that a lien to secure payment of a special tax which the City Council of the City of Rancho Cordova, County of Sacramento, State of California is authorized to levy is hereby imposed. The special tax secured by this lien is authorized to be levied for the purpose of: paying for the facilities described in **Exhibit A** attached hereto including paying principal and interest on bonds, the proceeds of which are being used to finance those facilities, and including incidental expenses incurred and to be incurred in connection with the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 and the issuance of bonds.

The special tax is authorized to be levied within City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1, which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law, or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is shown on **Exhibit B** attached hereto. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in Section H of Exhibit B attached hereto.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1, in accordance with Section 3115.5 of the Streets and Highways Code.

The name of the owners and the assessor's tax parcel numbers of the real property included within this community facilities district and not exempt from the special tax is set forth on **Exhibit C** hereto. Due to recent transfers, the ownership of such property as of the date of recording this notice may be different than what appears on the latest secured assessment roll as of such date. In connection with the recent changes in ownership, the property has been remapped and new Assessor's Parcel numbers will be assigned in the future and were not available as of the date of recording this notice. The listing in Exhibit C reflects Assessor's parcel numbers which existed as of the date of recording of this notice.

Reference is made to the Boundary Map of the community facilities district recorded on September 13, 2018, in the office of the County Recorder of the County of Sacramento as document number 201809130477 on Page 22 in Book 126 of the Maps of Assessment and Community Facilities District, which map is now the final boundary map of the community facilities district.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Administrative Services Director, City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, CA 95670.

Dated: October 1, 2018

Stacy Leitner, City Clerk

EXHIBIT A – List of Facilities
EXHIBIT B – Rate and Method of Apportionment
EXHIBIT C – Property Owner and Parcel Number

**EXHIBIT A**

City of Rancho Cordova
Grantline 208
Community Facilities District No. 2018-1

# LIST OF FACILITIES

The Facilities and Services shown below are to be finance by the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the, "CFD").

**Facilities.** The Facilities which are proposed to be financed with the proceeds of the sales of bonds of the proposed CFD, or the payment of the fees to the appropriate jurisdiction with respect to such facilities proposed to be financed with the proceeds of the sale of bonds of the proposed CFD, are generally described as follows:

**Roadways, Local Drainage, Landscaping and Soundwalls**

R-1 Douglas Road

R-2North/South Road

R-3East/West Road

R-4Americanos Blvd

R-5 Americanos Blvd Bike Trail

**Park Improvements**

P-1 Neighborhood Green

**Sewer Facilities**

S-1 Any and all major Sewer facilities necessary to provide sewer service to Grantline 208

**Water Facilities**

W-1 Any and all major Water facilities necessary to provide water service to Grantline 208

**Drainage Facilities**

D-1 Any and all major Drainage facilities necessary to provide drainage conveyance, detention or water quality treatment for Grantline 208

**Impact and Sunridge Specific Plan Area Fees**

I-1 Transportation Development Impact Fee

I-2 Supplemental Transportation Development Impact Fee

I-3 Community Facilities Impact Fee

I-4 Community Facilities – Library Impact Fee

**Impact and Specific Plan Fees, continued**

I-5 Park Development Impact Fee

I-6 Park Renovation Fee

I-7 Sunrise Douglas Supplemental Offsite Water Specific Plan Fee

I-8 Sunrise Douglas Interim Sewer Specific Plan Fee

I-9 Sunrise Douglas Roadway Specific Plan Fee

**Engineering Studies, Permitting, Public Facilities Report, Financing Plan**

E-1 Consultant fees, application fees, processing fees, and document production costs associated with the CFD preparation and processing of Public Facilities Reports, Engineering Studies, CFD Reports, Financing Plans, Environmental Permitting, and Environmental Studies, as well as other costs associated with the District Formation and Bond Sales process.

**Other**

O-1 Any other facilities serving substantially the same purpose as the above described facilities.

O-2 Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District, or 2) repair or rehabilitate existing District facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

**Incidentals.** The bond related expenses authorized include the City, underwriters discount, financial advisor, appraisals, reserve fund balance, capitalized interest, bond counsel, disclosure counsel, special tax consultant, bond and official statement printing and all other incidental expenses.

Administrative fees include those of the City, the Community Facilities District, the Bond Trustee, the Special Tax Consultant and the Fiscal Agent, related to the Community Facilities District and the Bonds.

**EXHIBIT B**

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208**
**COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

A Special Tax applicable to each Assessor's Parcel in the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

## A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre"** or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for the City and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

**"Administrator"** shall mean the person or firm designated by the City to administer the Special Tax according to this RMA.

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

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

**"Authorized Facilities"** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**"Base Special Tax"** means, for any Land Use Category, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

**"Bonds"** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

**"Building Permit"** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"CFD"** means the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1.

**"CFD Formation"** means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

**"City"** means the City of Rancho Cordova.

**"City Council"** means the City Council of the City of Rancho Cordova.

**"County"** means the County of Sacramento.

**"Developed Property"** means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property for which a Building Permit for new construction was issued prior to June 1 of the preceding Fiscal Year.

**"Development Class"** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**"Expected Land Uses"** means the number and Lot Type Category of SFD Lots expected within the CFD at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change.

**"Expected Maximum Special Tax Revenues"** means the aggregate Special Tax that can be levied based on application of the Base Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**"Expected Single Family Detached Property"** means all SFD Lots in the CFD that are Lot Type A or Lot Type B, as determined by the Administrator.

**"Final Map"** means a final map, or portion thereof, approved by the City or County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor's Parcels that are designated as remainder parcels.

**"Final Map Property"** means, in any Fiscal Year, all Parcels of Expected Single Family Detached Property for which a Final Map had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed Property.

**"First Bond Sale"** means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Parcels in the CFD.

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

**"Improvement Fund"** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities.

**"Indenture"** means the bond 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.

**"Land Use Category"** means the categories of land use identified in Table 1 in Section C below.

**"Land Use Change"** means a proposed or approved change to the Expected Land Uses after CFD Formation.

**"Lot Type A"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 55 feet by 105 feet (55' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type B"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 45 feet by 105 feet (45' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type Category"** means, individually, Lot Type A or Lot Type B. If there is any inconsistency between the designations in the Tentative Map and Final Map, or otherwise any confusion regarding the Lot Type Category for a particular SFD Lot, the City shall determine the appropriate Lot Type Category for the SFD Lot.

"**Maximum Special Tax"** means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C and D below.

**"Non-Residential Property"** means all Taxable Property in the CFD that has a commercial or industrial Zoning Designation, as determined by the City.

**"Other Taxable Residential Property"** means all Parcels of residential Taxable Property in the CFD that are developed or expected to be developed with: (i) SFD Lots that are not Lot Type A or Lot Type B, or (ii) residential units that are not SFD Units.

**"Owners Association"** means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

**"Owners Association Property"** means any property within the boundaries of the CFD that is owned in fee or by easement by the Owners Association, not including any such property that is located directly under a residential structure.

**"Proportionately"** means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

**"Public Property"** means any property within the boundaries of the CFD that is owned by the City, federal government, State of California or other public agency.

**"Required Coverage"** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**"Residential Unit"** means an SFD Unit or an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure, or apartment building. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered a Residential Unit for purposes of levying the Special Tax.

**"RMA"** means this Rate and Method of Apportionment of Special Tax.

**"SFD Lot"** means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**"SFD Unit"** means a residential unit that does not share a common wall with another residential unit.

**"Special Tax"** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on prior delinquencies, are expected to occur in the current Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the City.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Taxable Property”** means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

**“Taxable Public Property**” means in any Fiscal Year after the First Bond Sale, any Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Tentative Map”** means a tentative map or substantial conformance exhibit for property in the CFD, as shown in Attachment 1 of this RMA and including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

**“Zoning Designation”** means the City of Rancho Cordova zoning designation that applies to a particular area within the CFD, as determined by the City.

## B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class, (ii) for Developed Property, categorize each Parcel as Expected Single Family Detached Property, Other Taxable Residential Property, or Non-Residential Property, (iii) for Expected Single Family Detached Property, categorize each SFD Lot as Lot Type A or Lot Type B, and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor Final Maps and track the Lot Type Category for Parcels in the CFD to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## C. MAXIMUM SPECIAL TAX

### *1. Developed Property and Final Map Property*

The Maximum Special Tax for a Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

**Table 1**
**Base Special Tax**
**Developed Property and Final Map Property**

| Land Use | Lot Type Category | Base Special Tax Fiscal Year 2018-19 * |
|---|---|---|
| Expected Single Family Detached Property | Lot Type A | $2,450 per SFD Lot |
| Expected Single Family Detached Property | Lot Type B | $2,000 per SFD Lot |
| Other Taxable Residential Property | N/A | Tax per Residential Unit = ($14,032 per Acre * Acreage of Parcel)/ # of Residential Units on Parcel |
| Non-Residential Property | All Commercial and Industrial Designations | $14,032 per Acre |

*** On July 1, 2019 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

*2. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is $14,032 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

## D. CHANGES TO THE MAXIMUM SPECIAL TAX

*1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

**Prior to the First Bond Sale**, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

**After the First Bond Sale,** if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

**Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

**Step 2:** The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in the CFD after the Land Use Change based on application of the Base Special Taxes from Table 1.

**Step 3:** If the revenues calculated in Step 2 are (i) higher than those determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special

Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

**3.a.** The landowner requesting the Land Use Change (the "Requesting Landowner") may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, **or**

**3.b.** If a prepayment is not received by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on a Parcel, the Maximum Special Tax for the Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Parcel is located.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to a Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

*2. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for the CFD. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

*3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

**Step 1:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

**Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.

**Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

**Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Special Tax Requirement.

**Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the

Maximum Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Special Tax Requirement.

## F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2064-65. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

## G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

(1) Public Property, except Taxable Public Property.

(2) Owners Association Property, except Taxable Owners Association Property.

(3) Parcels that are owned by a public utility for an unmanned facility.

(4) Parcels that are subject to an easement that precludes any other use on the Parcel.

(5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

## H. PREPAYMENTS

The following definitions apply to this Section H:

**"Outstanding Bonds"** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from

the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

**"Previously Issued Bonds"** means all Bonds that have been issued prior to the date of prepayment.

**"Public Facilities Requirements"** means either $15,700,000 in 2018 dollars, which shall increase on January 1, 2019, and on each January 1 thereafter by 2% of the amount in effect in the prior year or such other number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**"Remaining Facilities Costs"** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity and any other source of funding.

The Special Tax obligation applicable to a Parcel in the CFD may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

| | |
|---|---|
| Bond Redemption Amount | |
| plus | Remaining Facilities Amount |
| plus | Redemption Premium |
| plus | Defeasance Requirement |
| plus | Administrative Fees and Expenses |
| less | Reserve Fund Credit |
| equals | Prepayment Amount |

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

**Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax

Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.

**Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 2 of this RMA as adjusted by the Administrator after prepayments or Land Use Changes.

**Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "**Bond Redemption Amount**"*).

**Step 4.** Compute the current Remaining Facilities Costs (if any).

**Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

**Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "**Redemption Premium**"*).

**Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.

**Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

**Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the ***"Defeasance Requirement"***).

**Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the ***"Administrative Fees and Expenses"***).

**Step 11.** If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for

the Outstanding Bonds to be redeemed pursuant to the prepayment (the "***Reserve Fund Credit***").

**Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the "***Prepayment Amount***").

**Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

*2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## I. INTERPRETATION OF RMA

Interpretations may be made by Resolution of the Council to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

**EXHIBIT C**

City of Rancho Cordova
Grantline 208
Community Facilities District No. 2018-1

## Property Owners and Assessor Parcel Numbers

| Owner Name | Assessor's Parcel Numbers |
|---|---|
| | |
| Lennar Homes of California, Inc.<br>A California Corporation | 067-0040-034-0000 |
| | |

**ATTACHMENT 6D**

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208**
**COMMUNITY FACILITIES DISTRICT NO. 2018-1**

**COMMUNITY FACILITIES DISTRICT REPORT**

CONTENTS

**ATTACHMENT 6D**

## CITY OF RANCHO CORDOVA
## GRANTLINE 208
## COMMUNITY FACILITIES DISTRICT NO. 2018-1

### INTRODUCTION

The City Council (the "City Council") of the City of Rancho Cordova (the "City") did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Law"), on August 20, 2018, adopt a resolution entitled, "A Resolution of the City Council of the City of Rancho Cordova Declaring Its Intention to Establish the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 and to Levy a Special Tax therein to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District" (the "Resolution of Intention"). In the Resolution of Intention, the City Council expressly ordered the preparation of a written Community Facilities District Report (the "Report") for the proposed City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "CFD").

The Resolution of Intention ordering the Report did direct that the Report generally contain the following:

(a) A description of the facilities (the "Facilities") by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the City Council.

**NOW, THEREFORE,** the following data is submitted pursuant to the direction of the City Council:

**A. DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities and incidental expenses thereto is provided in Exhibit "A" attached hereto and hereby made a part hereof.

**B. COST ESTIMATES.** Cost estimates for the Facilities are set forth in Exhibit "B" attached hereto and hereby made a part hereof.

**C. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels on which special taxes may be levied to pay for the Facilities. The proposed boundaries of the CFD are identified in the map entitled "Proposed Boundary of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 County of Sacramento, State of California" (the "CFD Boundary Map"), which has been recorded as document number

201809130477 on Page 22 in Book 126 of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Sacramento.

**D. RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.** All of the property located within the CFD boundaries, unless exempted by law or by the Rate and Method of Apportionment of Special Tax (the “RMA”), shall be taxed for the purpose of financing the Facilities. The City will annually determine the actual amount of the special tax levy based on the method and subject to the Maximum Special Tax rates contained in the RMA. The RMA is provided in Exhibit “C” attached hereto and hereby made a part hereof.

**E. ISSUANCE OF BONDS.** At the time of CFD formation, it was anticipated that Facilities would be funded from the proceeds of multiple tax-exempt bond issues, although the amount and timing of such issues will depend on the value of property within the CFD, the timing of absorption of land uses, and other factors. Based on land uses anticipated within the CFD boundaries, it is estimated that approximately $25.0 million in net construction proceeds will be generated for Facilities. If additional properties annex into the CFD, the net proceeds will increase based on the added special tax capacity generated from the annexed properties.

**ATTACHMENT 6D**

## EXHIBIT A

## CITY OF RANCHO CORDOVA
## GRANTLINE 208
## COMMUNITY FACILITIES DISTRICT NO. 2018-1

DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD

The Facilities shown below are to be financed by the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the, "CFD").

**Facilities.** The Facilities which are proposed to be financed with the proceeds of the sales of bonds of the proposed CFD, or the payment of the fees to the appropriate jurisdiction with respect to such facilities proposed to be financed with the proceeds of the sale of bonds of the proposed CFD, are generally described as follows:

**Roadways, Local Drainage, Landscaping and Soundwalls**

R-1 Douglas Road

R-2 North/South Road

R-3 East/West Road

R-4 Americanos Blvd

R-5 Americanos Blvd Bike Trail

**Park Improvements**

P-1 Neighborhood Green

**Sewer Facilities**

S-1 Any and all major Sewer facilities necessary to provide sewer service to Grantline 208

**Water Facilities**

W-1 Any and all major Water facilities necessary to provide water service to Grantline 208

**Drainage Facilities**

D-1 Any and all major Drainage facilities necessary to provide drainage conveyance, detention or water quality treatment for Grantline 208

**Impact and Sunridge Specific Plan Area Fees**

I-1 Transportation Development Impact Fee

I-2 Supplemental Transportation Development Impact Fee

I-3 Community Facilities Impact Fee

I-4 Community Facilities – Library Impact Fee

**Impact and Specific Plan Fees, continued**

I-5 Park Development Impact Fee

I-6 Park Renovation Fee

I-7 Sunrise Douglas Supplemental Offsite Water Specific Plan Fee

I-8 Sunrise Douglas Interim Sewer Specific Plan Fee

I-9 Sunrise Douglas Roadway Specific Plan Fee

**Engineering Studies, Permitting, Public Facilities Report, Financing Plan**

E-1 Consultant fees, application fees, processing fees, and document production costs associated with the CFD preparation and processing of Public Facilities Reports, Engineering Studies, CFD Reports, Financing Plans, Environmental Permitting, and Environmental Studies, as well as other costs associated with the District Formation and Bond Sales process.

**Other**

O-1 Any other facilities serving substantially the same purpose as the above described facilities.

O-2 Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District, or 2) repair or rehabilitate existing District facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

**Incidentals.** The bond related expenses authorized include the City, underwriters discount, financial advisor, appraisals, reserve fund balance, capitalized interest, bond counsel, disclosure counsel, special tax consultant, bond and official statement printing and all other incidental expenses.

Administrative fees include those of the City, the Community Facilities District, the Bond Trustee, the Special Tax Consultant and the Fiscal Agent, related to the Community Facilities District and the Bonds.

**ATTACHMENT 6D**

**EXHIBIT B**

**CITY OF RANCHO CORDOVA**
**GRANTLINE 208**
**COMMUNITY FACILITIES DISTRICT NO. 2018-1**

COST ESTIMATES

The following is a summary of the estimated costs of acquisition and construction of the Facilities. In addition to the acquisition and construction costs of the Facilities, the City will finance bond and other debt issuance costs, capitalized interest, a debt service reserve fund, the costs of forming the CFD and other costs associated with the sale of bonds and annual administration of the CFD.

| Facilities | Estimated Cost |
|---|---|
| Roadway and Transportation Improvements | $5,950,000 |
| Park Improvements | $750,000 |
| Drainage System Improvements | $705,000 |
| Rancho Cordova TDIF/CIP | $1,416,000 |
| Development Impact Fees | $16,173,000 |
| **Total** | **$24,994,000** |

**EXHIBIT C**

# CITY OF RANCHO CORDOVA
# GRANTLINE 208
# COMMUNITY FACILITIES DISTRICT NO. 2018-1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

# CITY OF RANCHO CORDOVA
# GRANTLINE 208
# COMMUNITY FACILITIES DISTRICT NO. 2018-1

## RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 shall be levied and collected according to the tax liability determined by the City Council through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

## A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre"** or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for the City and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

**"Administrator"** shall mean the person or firm designated by the City to administer the Special Tax according to this RMA.

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

**"Assessor's Parcel Map"** means an official map of the County Assessor designating Parcels by Assessor's Parcel Number.

**"Authorized Facilities"** means the public facilities authorized to be financed, in whole or in part, by the CFD.

**"Base Special Tax"** means, for any Land Use Category, the applicable Special Tax initially identified in Table 1 in Section C, as may be adjusted pursuant to Section D.

**"Bonds"** means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

**"Building Permit"** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

**"Capitalized Interest"** means funds in any capitalized interest account available to pay debt service on Bonds.

**"CFD"** means the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1.

**"CFD Formation"** means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

**"City"** means the City of Rancho Cordova.

**"City Council"** means the City Council of the City of Rancho Cordova.

**"County"** means the County of Sacramento.

**"Developed Property"** means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property for which a Building Permit for new construction was issued prior to June 1 of the preceding Fiscal Year.

**"Development Class"** means, individually, Developed Property, Final Map Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

**"Expected Land Uses"** means the number and Lot Type Category of SFD Lots expected within the CFD at CFD Formation, as identified in Attachments 1 and 2 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 2 each time there is a Land Use Change.

**"Expected Maximum Special Tax Revenues"** means the aggregate Special Tax that can be levied based on application of the Base Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues at CFD Formation are shown in Attachment 2 and may be revised pursuant to Section D below.

**"Expected Single Family Detached Property"** means all SFD Lots in the CFD that are Lot Type A or Lot Type B, as determined by the Administrator.

**"Final Map"** means a final map, or portion thereof, approved by the City or County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates SFD Lots. The term "Final Map" shall not include any large-lot subdivision map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor's Parcels that are designated as remainder parcels.

**"Final Map Property"** means, in any Fiscal Year, all Parcels of Expected Single Family Detached Property for which a Final Map had recorded prior to June 30 of the preceding Fiscal Year and which have not yet become Developed Property.

**"First Bond Sale"** means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Parcels in the CFD.

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

**"Improvement Fund"** means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities.

**"Indenture"** means the bond 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.

**"Land Use Category"** means the categories of land use identified in Table 1 in Section C below.

**"Land Use Change"** means a proposed or approved change to the Expected Land Uses after CFD Formation.

**"Lot Type A"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 55 feet by 105 feet (55' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type B"** means a SFD Lot designated on a Tentative Map or Final Map as a lot with expected dimensions of 45 feet by 105 feet (45' x 105') regardless of the actual dimensions of the SFD Lot.

**"Lot Type Category"** means, individually, Lot Type A or Lot Type B. If there is any inconsistency between the designations in the Tentative Map and Final Map, or otherwise any confusion regarding the Lot Type Category for a particular SFD Lot, the City shall determine the appropriate Lot Type Category for the SFD Lot.

"**Maximum Special Tax"** means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C and D below.

**"Non-Residential Property"** means all Taxable Property in the CFD that has a commercial or industrial Zoning Designation, as determined by the City.

**"Other Taxable Residential Property"** means all Parcels of residential Taxable Property in the CFD that are developed or expected to be developed with: (i) SFD Lots that are not Lot Type A or Lot Type B, or (ii) residential units that are not SFD Units.

**"Owners Association"** means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

**"Owners Association Property"** means any property within the boundaries of the CFD that is owned in fee or by easement by the Owners Association, not including any such property that is located directly under a residential structure.

**"Proportionately"** means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

**"Public Property"** means any property within the boundaries of the CFD that is owned by the City, federal government, State of California or other public agency.

**"Required Coverage"** means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

**"Residential Unit"** means an SFD Unit or an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure, or apartment building. A second unit (granny flat) that shares a Parcel with an SFD Unit shall not be considered a Residential Unit for purposes of levying the Special Tax.

**"RMA"** means this Rate and Method of Apportionment of Special Tax.

**"SFD Lot"** means an individual residential lot, identified and numbered on a recorded Final Map, on which a Building Permit has been or is permitted to be issued for construction of an SFD Unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved Tentative Map.

**"SFD Unit"** means a residential unit that does not share a common wall with another residential unit.

**"Special Tax"** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on prior delinquencies, are expected to occur in the current Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the City.

**“Taxable Owners Association Property”** means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Owners Association Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Taxable Property”** means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

**“Taxable Public Property**” means in any Fiscal Year after the First Bond Sale, any Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale, (ii) based on reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was not anticipated to be Public Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

**“Tentative Map”** means a tentative map or substantial conformance exhibit for property in the CFD, as shown in Attachment 1 of this RMA and including any adjustments or amendments thereto.

**“Undeveloped Property”** means, in any Fiscal Year, all Parcels of Taxable Property that are not Final Map Property or Developed Property, as defined herein.

**“Zoning Designation”** means the City of Rancho Cordova zoning designation that applies to a particular area within the CFD, as determined by the City.

## B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class, (ii) for Developed Property, categorize each Parcel as Expected Single Family Detached Property, Other Taxable Residential Property, or Non-Residential Property, (iii) for Expected Single Family Detached Property, categorize each SFD Lot as Lot Type A or Lot Type B, and (iv) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor Final Maps and track the Lot Type Category for Parcels in the CFD to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

## C. MAXIMUM SPECIAL TAX

### *1. Developed Property and Final Map Property*

The Maximum Special Tax for a Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth in Table 1 below, or, (ii) the Maximum Special Tax determined pursuant to Section D.

**Table 1**
**Base Special Tax**
**Developed Property and Final Map Property**

| Land Use | Lot Type Category | Base Special Tax Fiscal Year 2018-19 * |
|---|---|---|
| Expected Single Family Detached Property | Lot Type A | $2,450 per SFD Lot |
| Expected Single Family Detached Property | Lot Type B | $2,000 per SFD Lot |
| Other Taxable Residential Property | N/A | Tax per Residential Unit = ($14,032 per Acre * Acreage of Parcel)/ # of Residential Units on Parcel |
| Non-Residential Property | All Commercial and Industrial Designations | $14,032 per Acre |

*** On July 1, 2019 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.**

*2. Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property*

The Maximum Special Tax for Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property is $14,032 per Acre for Fiscal Year 2018-19, which amount shall increase on July 1, 2019 and each July 1 thereafter by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

## D. CHANGES TO THE MAXIMUM SPECIAL TAX

*1. Land Use Changes*

The Expected Maximum Special Tax Revenues shown in Attachment 2 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 2 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

**Prior to the First Bond Sale**, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D. Upon approval of the Land Use Change, the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

**After the First Bond Sale,** if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

**Step 1:** By reference to Attachment 2 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.

**Step 2:** The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in the CFD after the Land Use Change based on application of the Base Special Taxes from Table 1.

**Step 3:** If the revenues calculated in Step 2 are (i) higher than those determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special

Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

**3.a.** The landowner requesting the Land Use Change (the "Requesting Landowner") may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Parcel owned by the Requesting Landowner that was Final Map Property or Undeveloped Property at the time the Administrator prepared the prepayment estimate, **or**

**3.b.** If a prepayment is not received by the due date specified above, the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

If multiple Land Use Changes are proposed simultaneously by a single landowner (which may include approval of multiple Final Maps at one time), and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no prepayment has been received, then the Base Special Tax used to determine the Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes shall be increased proportionately until the aggregate amount that can be levied within such areas is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

Notwithstanding the foregoing, once a certificate of occupancy has been issued for a Residential Unit on a Parcel, the Maximum Special Tax for the Parcel cannot be increased because of subsequent Land Use Changes that may occur within the area in which the Parcel is located.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes, and to review Final Maps and make certain calculations, are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to a Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

*2. Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 2 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for the CFD. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

*3. Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the applicable Base Special Tax for the Parcel, as determined by the Administrator.

## E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

**Step 1:** The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

**Step 2:** If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.

**Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

**Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Special Tax Requirement.

**Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the

Maximum Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Special Tax Requirement.

## F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2064-65. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

## G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

(1) Public Property, except Taxable Public Property.

(2) Owners Association Property, except Taxable Owners Association Property.

(3) Parcels that are owned by a public utility for an unmanned facility.

(4) Parcels that are subject to an easement that precludes any other use on the Parcel.

(5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

## H. PREPAYMENTS

The following definitions apply to this Section H:

**"Outstanding Bonds"** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from

the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

**"Previously Issued Bonds"** means all Bonds that have been issued prior to the date of prepayment.

**"Public Facilities Requirements"** means either $15,700,000 in 2018 dollars, which shall increase on January 1, 2019, and on each January 1 thereafter by 2% of the amount in effect in the prior year or such other number as shall be determined by the City as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted each time property annexes into the CFD or there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

**"Remaining Facilities Costs"** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity and any other source of funding.

The Special Tax obligation applicable to a Parcel in the CFD may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

| | |
|---|---|
| Bond Redemption Amount | |
| plus | Remaining Facilities Amount |
| plus | Redemption Premium |
| plus | Defeasance Requirement |
| plus | Administrative Fees and Expenses |
| less | Reserve Fund Credit |
| equals Prepayment Amount | |

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

**Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City by applying the Base Special Tax to the Expected Land Uses for the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax

Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.

**Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in the CFD, as shown in Attachment 2 of this RMA as adjusted by the Administrator after prepayments or Land Use Changes.

**Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the* "***Bond Redemption Amount***").

**Step 4.** Compute the current Remaining Facilities Costs (if any).

**Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the* "***Remaining Facilities Amount***").

**Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the* "***Redemption Premium***").

**Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.

**Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

**Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (the ***"Defeasance Requirement"***).

**Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the "***Administrative Fees and Expenses***").

**Step 11.** If and to the extent so provided in the Bond indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for

the Outstanding Bonds to be redeemed pursuant to the prepayment (the "***Reserve Fund Credit***").

**Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the "***Prepayment Amount***").

**Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel's Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel's obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

*2. Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 2 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

## I. INTERPRETATION OF RMA

Interpretations may be made by Resolution of the Council to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

# ATTACHMENT 1

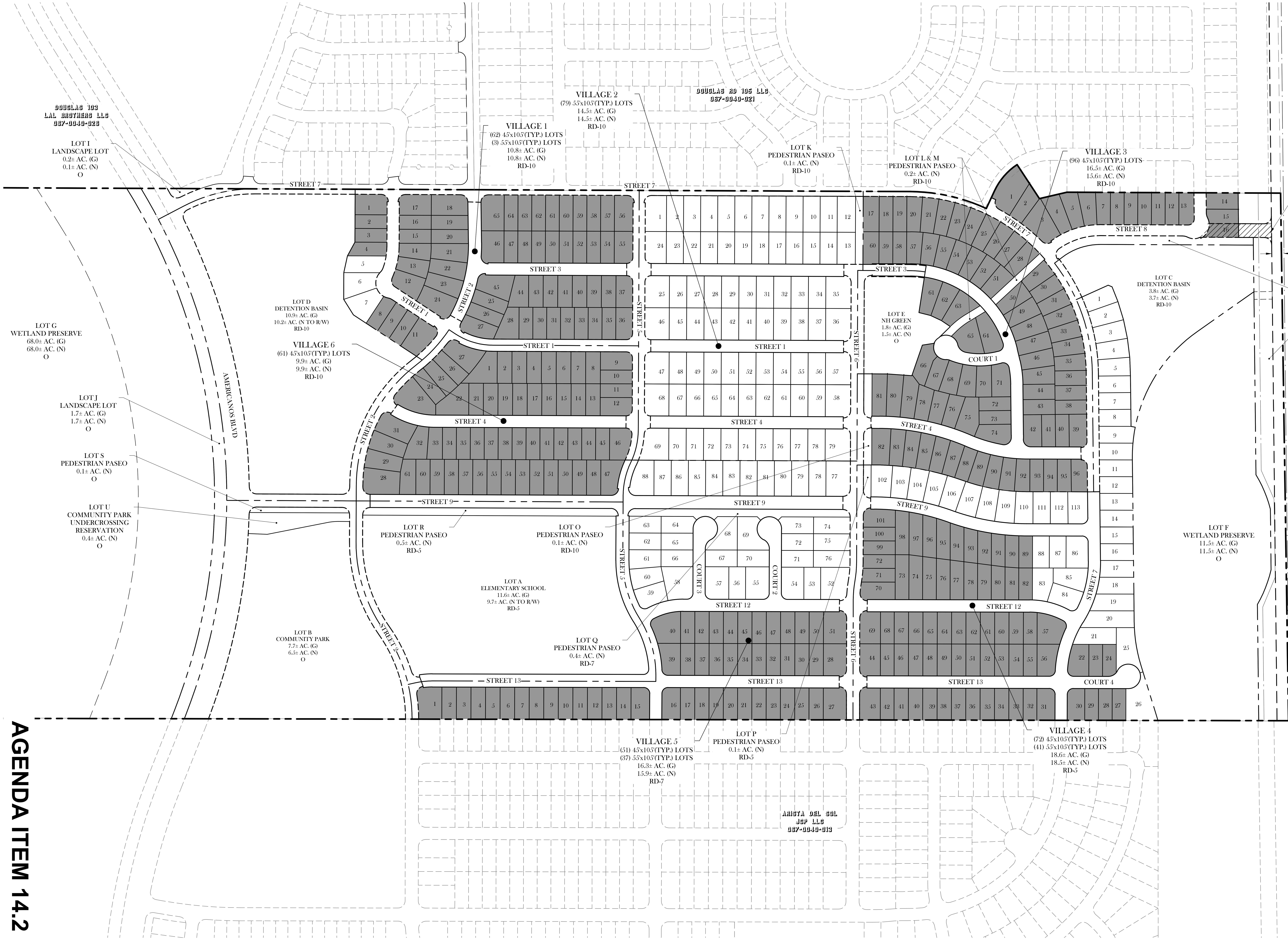
## CITY OF RANCHO CORDOVA
## GRANTLINE 208
## COMMUNITY FACILITIES DISTRICT NO. 2018-1

## TENTATIVE MAP

# SITE PLAN - COLOR EXHIBIT
# GRANTLINE 208
## RANCHO CORDOVA, CA

| TOTAL | |
|---|---|
| 45' x 105' - 342 LOTS | |
| 55' x 105' - 160 LOTS | |

TOTAL : 502




N W E S
scale: 1"=150'
150 0 75 150 300

COLOR EXHIBIT
JUNE 27, 2018

TSD ENGINEERING, INC.
expect more.
785 Orchard Drive, Suite #1
Folsom, CA 95630
Phone: (916) 608-0707
Fax: (916) 608-0701

AGENDA ITEM 14.2

ATTACHMENT 2

## City of Rancho Cordova
## Grantline 208 Community Facilities District No. 2018-1
## Expected Land Uses and Expected Maximum Special Tax Revenues

| Village and Lot Type Category | Expected # of Residential Units | Base Special Tax (FY 2018-19) * | Expected Maximum Special Tax Revenues (FY 2018-19) * |
|---|---|---|---|
| Village 1 | | | |
| Lot Type A | 3 | $2,450 | $7,350 |
| Lot Type B | 62 | $2,000 | $124,000 |
| Village 2 | | | |
| Lot Type A | 79 | $2,450 | $193,550 |
| Lot Type B | 0 | $2,000 | $0 |
| Village 3 | | | |
| Lot Type A | 0 | $2,450 | $0 |
| Lot Type B | 96 | $2,000 | $192,000 |
| Village 4 | | | |
| Lot Type A | 41 | $2,450 | $100,450 |
| Lot Type B | 72 | $2,000 | $144,000 |
| Village 5 | | | |
| Lot Type A | 37 | $2,450 | $90,650 |
| Lot Type B | 51 | $2,000 | $102,000 |
| Village 6 | | | |
| Lot Type A | 0 | $2,450 | $0 |
| Lot Type B | 61 | $2,000 | $122,000 |
| **Expected Maximum Special Tax Revenues, FY 2018-19** | | | **$1,076,000** |

* On July 1, 2019 and each July 1 thereafter, the Base Special Tax and Expected Maximum Special Tax Revenues shall be increased by 2% of the amount in effect in the previous Fiscal Year.

**MEMORANDUM**

**DATE:** October 1, 2018

**TO:** Honorable Mayor and Council Members

**FROM:** Kim Juran-Karageorgiou,
Administrative Services Director

**SUBJECT: FISCAL YEAR 2017-18 PRELIMINARY YEAR-END FINANCIAL REPORT AND BUDGET AMENDMENT**

## RECOMMENDATION

That the City Council receive the Fiscal Year 2017-18 Preliminary Year-End Financial Report and Adopt a Resolution (Attachment 2) amending the Fiscal Year 2017-18 Budget.

## RESULT OF RECOMMENDED ACTION

The Fiscal Year 2017-18 Preliminary Year-End Financial Report provides the City Council with the City's unaudited financial performance for the most recent fiscal year prior to receiving the audited Comprehensive Annual Financial Report (CAFR) later in the year. It also provides the City Council with the opportunity to authorize the proposed budget amendments for the June 30, 2018 fiscal year. The proposed budget amendment would use General Fund surplus dollars to eliminate the inter-fund loan between the General Fund and the Local Housing Special Revenue Fund by $1,171,499.

## BACKGROUND

The City Council approved Operating Budget serves as the annual plan and resource allocation that guides and ensures implementation of City Council policies and priorities. The budget implements the vision and direction for the range of services that meet the needs of the community.

City finances ended the 2017-18 fiscal year on a strong note. Overall, City revenues continue to show growth and achieve new highs. City expenditures remained well under budget as a result of salary savings from vacant positions and operating cost savings, resulting in a year-end surplus. The attached 2017-18 Preliminary Year-End Financial Report (Attachment 1) provides the revenue and expenditure summary for the General Fund, the City's primary operating fund. It is important to note that these numbers are preliminary and may change as the City completes the process of closing out the 2017-18 fiscal year and audit process over the next month.

### General Fund

The 2017-18 General Fund revenues reached $52.7 million, the highest level that General Fund revenues have reached. This record revenue level was driven by the City's tax revenues, with higher than anticipated property tax, sales tax, and transient occupancy tax. A change in the timing in which sales tax revenues are allocated by the State Board of Equalization contributed to the City receiving approximately $1 million more in sales tax in 2017-18 than originally anticipated. The City's property tax revenues benefitted from the addition of $586,290 in unanticipated revenue from the Redevelopment Property Tax Trust Fund (RPTTF), the first year in which the City has received a significant disbursement from this revenue source. Transient Occupancy Tax (TOT) also achieved new highs with increased occupancy and room rates at hotels across the City. Many of the City's other revenue categories decreased from the prior fiscal year, as building permits and fines and forfeitures dropped off from 2016-17 levels.

The 2017-18 General Fund expenditures ended the year at $50.2 million, an amount that was higher than originally anticipated due to the City's purchase of property located at 10153-10179 Folsom Boulevard. While the General Fund experienced expenditure savings in other areas, including salary savings of approximately $1.1 million due to staff vacancies and operating cost savings of approximately $1.3 million, the General Fund budget will need to be amended by $250,000 for the property purchase.

The preliminary General Fund budget surplus at fiscal year-end totals $2.4 million. This one-time surplus provides an opportunity for evaluation of opportunities for the use of surplus funds. Staff is proposing that City Council consider paying off one outstanding inter-fund loan made from the General Fund to the Local Housing Special Revenue Fund. The City has begun forgiving this loan in recent years and the proposed budget amendment would forgive the remaining $1,171,499. This would allow all future revenues to the Local Housing Trust Fund to be saved for future low- and moderate-income housing projects.

If the City Council approves the recommended General Fund budget amendments, the City's year-end surplus is reduced by $1.2 million to $1.2 million. In accordance with the City's reserve policy, 50% of this amount ($600,000) will be transferred to the Capital Facilities Fund and 25% ($300,000) will be transferred to the Infrastructure Capital Fund. The remaining surplus of ($300,000) will remain in the General Fund.

**Community Enhancement Fund**

The City's ½ cent Community Enhancement Fund sales tax revenues totaled $8.3 million, significantly higher than the $7.1 million budget originally anticipated. Similar to General Fund sales tax revenues, CEF revenues were higher than anticipated due to a combination of a strong economy and a change in the timing in which revenues are allocated by the State Board of Equalization.

On the expenditure side, a total of $4.6 million was expended. This amount is also well under budget as several projects and initiatives, including a sizeable commitment for girls softball, that were anticipated to be spent during the 2017-18 fiscal year did not occur. These funds are anticipated to be spent during the 2018-19 fiscal year.

## FISCAL IMPACT

The proposed budget amendment for the General Fund would utilize $1,171,499 of Fund surplus dollars to pay off the interfund loan to the Local Housing Trust Fund. In addition, the proposed budget amendment increases the General Fund expenditure budget by $250,000 to ensure that sufficient budget authority exists at year-end for the purchase of 10153-10179 Folsom Boulevard.

The other proposed budget amendments in various special revenue, capital, enterprise, and internal service funds adjust the budget for additional revenues, expenditures, and depreciation costs that were not anticipated in the orginal budget.

## ATTACHMENTS

1) Fiscal Year 2017-18 General Fund Financial Summary
2) Resolution Approving Fiscal Year 2017-18 Budget Amendments
3) Exhibit A to the Resolution – Proposed Expenditure Budget Adjustments
4) PowerPoint Presentation

# ATTACHMENT 1

**City of Rancho Cordova**
**General Fund**
**Fiscal Year Ending June 30, 2018**

| CATEGORY | FY 2015/16 Actual | FY 2016/17 Actual | FY 2017/18 Budget | FY 2017/18 Preliminary Actual | FY 2018/19 Budget |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | 37,341,161 | 38,690,197 | 38,844,700 | 41,404,286 | 40,000,600 |
| Franchise Fees | 1,907,022 | 2,013,872 | 1,821,000 | 2,116,694 | 1,821,000 |
| Licenses, Permits and Fees | 3,534,448 | 3,547,415 | 2,643,900 | 3,177,989 | 2,523,900 |
| Fines and Forfeitures | 1,548,701 | 1,656,526 | 1,548,400 | 1,549,953 | 1,548,400 |
| Use of Money and Property | 669,745 | 860,732 | 150,000 | 499,819 | 710,000 |
| Intergovernmental | 1,303,666 | 838,766 | 519,200 | 483,322 | 543,900 |
| Charges for Services | 3,664,999 | 3,593,869 | 4,309,700 | 3,306,286 | 4,127,000 |
| Other Revenues | 476,133 | 17,548 | 35,200 | 96,354 | 37,600 |
| Transfers In | 100,000 | 100,032 | 286,300 | 100,000 | 282,100 |
| **TOTAL GENERAL FUND REVENUE** | **$ 50,545,875** | **$ 51,318,956** | **$ 50,158,400** | **$ 52,734,703** | **$ 51,594,500** |
| **EXPENDITURES** | | | | | |
| Personnel Costs | 7,219,022 | 7,380,546 | 7,891,400 | 6,743,728 | 9,120,300 |
| Operating Costs | 28,003,023 | 29,131,117 | 28,880,200 | 27,460,671 | 30,690,500 |
| Debt Service/Revenue Neutrality | 8,082,766 | 8,489,190 | 8,632,000 | 8,632,032 | 9,060,000 |
| Capital Investment | 310,088 | 309,752 | - | 2,788,834 | 1,143,000 |
| Transfers Out | 6,302,194 | 1,205,270 | 4,725,900 | 4,649,083 | 1,394,100 |
| Extraordinary (Gain)/Loss | | 4,725,310 | | | |
| **TOTAL GENERAL FUND EXPENDITURES** | **$ 49,917,094** | **$ 51,241,185** | **$ 50,129,500** | **$ 50,274,349** | **$ 51,407,900** |
| **REVENUES OVER EXPENDITURES** | **$ 628,781** | **$ 77,771** | **$ 28,900** | **$ 2,460,354** | **$ 186,600** |

# ATTACHMENT 2

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. XX-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AMENDING THE OPERATING BUDGET FOR THE FISCAL YEAR 2017-18**

## RECITALS

**WHEREAS**, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Year 2017-19 Proposed Budget; and

**WHEREAS,** after examination, deliberation and due consideration, the City Council has approved the same with the passage of Resolution No. 84-2017; and

**WHEREAS**, to keep the budget current it becomes necessary to amend the budget and various schedules on a periodic basis as events necessitate; and

**WHEREAS**, the Fiscal Year 2017-18 will be amended as shown on the attached Exhibit A.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Rancho Cordova as follows:

1. The Fiscal Years 2017-18 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments, Exhibit A.

2. That the amounts stated in the Schedule of Proposed Budget Amendments shall be appropriated to funds stated therein and said monies are hereby appropriated; and

3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the 1st day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

______________________________
Linda Budge, Mayor

**ATTEST:**

________________________________
Stacy Leitner, City Clerk

# ATTACHMENT 3
# Exhibit A to the Resolution

**City of Rancho Cordova**
**Proposed Expenditure Budget Adjustments**
**Fiscal Year 2017-18**

| Fund | Fund Name | Original Adopted Revenue Budget | Proposed Adjustment | Proposed Final Revenue Budget | Description of Adjustment |
|---|---|---|---|---|---|
| **General Funds:** | | | | | |
| 1000 | General Fund | $ 50,158,400 | $ 1,900,000 | $ 52,058,400 | Property tax received from RPTTF of $500K and higher than anticipated sales tax of $1.4 million due to change in timing of SBOE allocation |
| **Special Revenue Funds:** | | | | | |
| 2320 | State Grant | 882,000 | 200,000 | 1,082,000 | Received Creek to Trail Connectivity Planning Study Grant |
| 2415 | Road Maint and Rehab | - | 450,000 | 450,000 | Moving the budget for RMRA funds from Gas Tax to separate fund as required by State |
| 8200 | City Landscape CFD | 68,000 | 32,000 | 100,000 | Revenues received higher than anticipated |

| Fund | Fund Name | Original Adopted Expenditure Budget | Proposed Adjustment | Proposed Final Expenditure Budget | Description of Adjustment |
|---|---|---|---|---|---|
| **General Funds:** | | | | | |
| 1000 | General Fund | $ 50,129,500 | $ 1,421,499 | $ 51,550,999 | Proposed use of surplus funds to eliminate interfund receivable due from Local Housing Special Revenue Fund and increase to budget for purchase of property located at 10153-10179 Folsom Blvd. |
| **Special Revenue Funds:** | | | | | |
| 2320 | State Grant | 882,000 | 200,000 | 1,082,000 | Received Creek to Trail Connectivity Planning Study Grant |
| 2415 | Road Maint and Rehab | - | 450,000 | 450,000 | Moving the budget for RMRA funds from Gas Tax to separate fund as required by State |
| 2530 | Road Maint District | 82,300 | 20,000 | 102,300 | Funding for Red Curb Project |
| 8200 | City Landscape CFD | 65,300 | 15,000 | 80,300 | Augmentation to Landscaping budget due to higher revenues |
| **Capital Funds:** | | | | | |
| 3300 | Technology Capital | 234,900 | 5,000 | 239,900 | Amending the budget to close out fund and consolidate into Technology Internal Service Fund |
| **Enterprise Funds:** | | | | | |
| 5300 | Storm Drain | 5,511,470 | 3,700,000 | 9,211,470 | To budget for depreciation of assets |
| 5350 | Storm Water Utility II | 41,000 | 45,000 | 86,000 | To budget for depreciation of assets |
| **Internal Service Funds:** | | | | | |
| 7400 | Insurance | 278,400 | 25,000 | 303,400 | 2017-18 Insurance premiums slightly higher than budgeted |

ATTACHMENT 4

# Fiscal Year 2017/18 Preliminary Financial Report and Budget Amendment

City Council Meeting – October 1, 2018

AGENDA ITEM 16.1

a fresh take.
RANCHO CORDOVA
CALIFORNIA

CityOfRanchoCordova.org

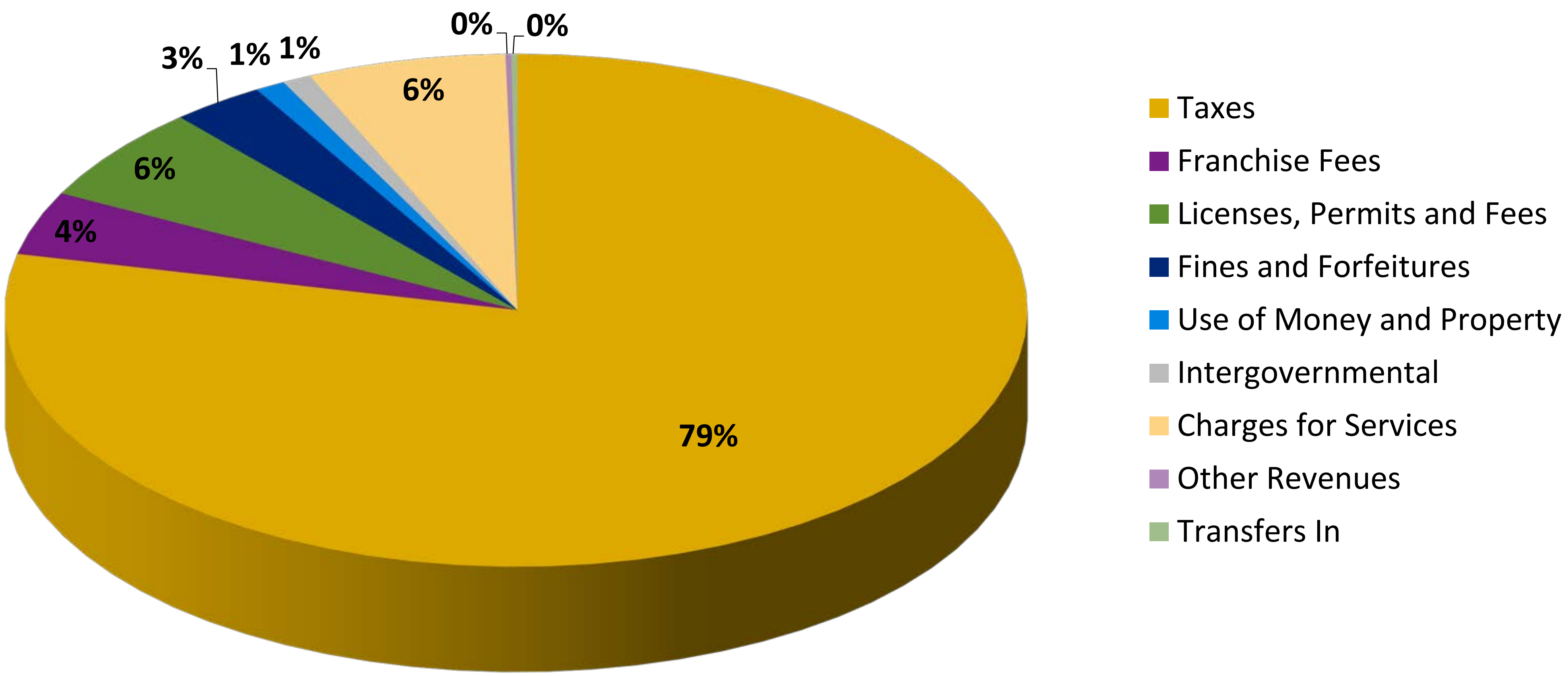
ATTACHMENT 4

# 2017/18 General Fund

| CATEGORY | FY 2015/16 Actual | FY 2016/17 Actual | FY 2017/18 Budget | FY 2017/18 Preliminary Actual | FY 2018/19 Budget |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | 37,341,161 | 38,690,197 | 38,844,700 | 41,404,286 | 40,000,600 |
| Franchise Fees | 1,907,022 | 2,013,872 | 1,821,000 | 2,116,694 | 1,821,000 |
| Licenses, Permits and Fees | 3,534,448 | 3,547,415 | 2,643,900 | 3,177,989 | 2,523,900 |
| Fines and Forfeitures | 1,548,701 | 1,656,526 | 1,548,400 | 1,549,953 | 1,548,400 |
| Use of Money and Property | 669,745 | 860,732 | 150,000 | 499,819 | 710,000 |
| Intergovernmental | 1,303,666 | 838,766 | 519,200 | 483,322 | 543,900 |
| Charges for Services | 3,664,999 | 3,593,869 | 4,309,700 | 3,306,286 | 4,127,000 |
| Other Revenues | 476,133 | 17,548 | 35,200 | 96,354 | 37,600 |
| Transfers In | 100,000 | 100,032 | 286,300 | 100,000 | 282,100 |
| | | | | | |
| **TOTAL GENERAL FUND REVENUE** | **$ 50,545,875** | **$ 51,318,956** | **$ 50,158,400** | **$ 52,734,703** | **$ 51,594,500** |
| | | | | | |
| **EXPENDITURES** | | | | | |
| Personnel Costs | 7,219,022 | 7,380,546 | 7,891,400 | 6,743,728 | 9,120,300 |
| Operating Costs | 28,003,023 | 29,131,117 | 28,880,200 | 27,460,671 | 30,690,500 |
| Debt Service/Revenue Neutrality | 8,082,766 | 8,489,190 | 8,632,000 | 8,632,032 | 9,060,000 |
| Capital Investment | 310,088 | 309,752 | - | 2,788,834 | 1,143,000 |
| Transfers Out | 6,302,194 | 1,205,270 | 4,725,900 | 4,649,083 | 1,394,100 |
| Extraordinary (Gain)/Loss | | 4,725,310 | | | |
| | | | | | |
| **TOTAL GENERAL FUND EXPENDITURES** | **$ 49,917,094** | **$ 51,241,185** | **$ 50,129,500** | **$ 50,274,349** | **$ 51,407,900** |
| | | | | | |
| **REVENUES OVER EXPENDITURES** | **$ 628,781** | **$ 77,771** | **$ 28,900** | **$ 2,460,354** | **$ 186,600** |

AGENDA ITEM 16.1

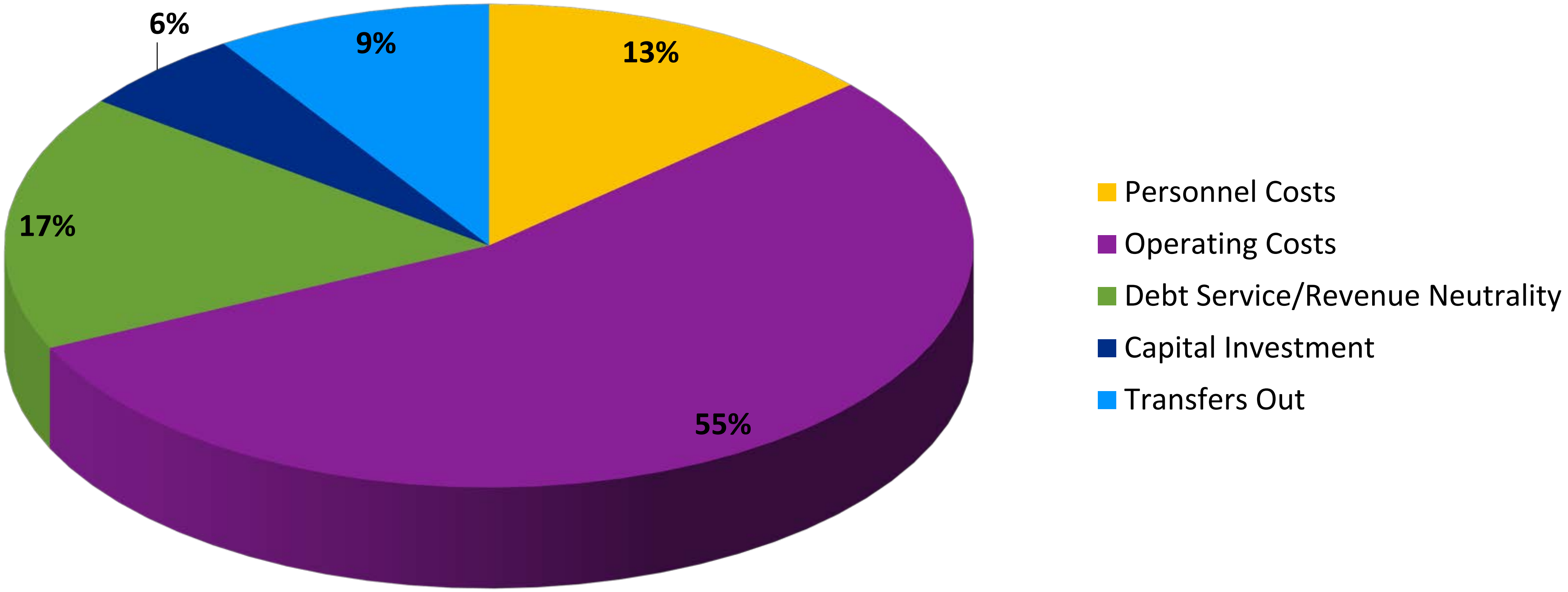
# 2017/18 General Fund Revenues by Category



# 2017/18 General Fund Taxes

| CATEGORY | FY 2015/16 Actual | FY 2016/17 Actual | FY 2017/18 Budget | FY 2017/18 Preliminary Actual | FY 2018/19 Budget |
|---|---|---|---|---|---|
| **TAXES** | | | | | |
| Property Taxes | $ 13,759,511 | $ 14,795,007 | $ 15,444,100 | $ 16,010,864 | $ 15,975,300 |
| Sales Tax | $ 14,420,503 | $ 13,955,727 | $ 13,796,800 | $ 15,205,165 | $ 14,201,000 |
| Transient Occupancy Tax | $ 3,441,447 | $ 3,866,249 | $ 3,800,000 | $ 3,984,490 | $ 3,935,000 |
| Utility Users Tax | $ 3,698,001 | $ 3,678,209 | $ 3,713,800 | $ 3,835,713 | $ 3,749,300 |
| Homeowners' Subventions | $ 98,334 | $ 97,641 | $ 100,000 | $ 97,107 | $ 100,000 |
| Police Tax | $ 1,381,018 | $ 1,524,481 | $ 1,580,000 | $ 1,673,409 | $ 1,630,000 |
| Property Transfer | $ 371,664 | $ 556,957 | $ 220,000 | $ 402,973 | $ 220,000 |
| Other Taxes | $ 170,683 | $ 215,924 | $ 190,000 | $ 194,566 | $ 190,000 |
| **Total Taxes** | **37,341,161** | **$ 38,690,197** | **$ 38,844,700** | **$ 41,404,286** | **$ 40,000,600** |

# 2017/18 General Fund Expenditures by Category



# 2017/18 Budget Amendment

- Proposed Use of $1.2 million in surplus General Fund dollars to eliminate the inter-fund loan due to the General Fund from the Local Housing Special Revenue Fund
- Increase General Fund budget for the purchase of 10153-10179 Folsom Blvd.
- Adjust for additional revenues received in certain Special Revenue Funds and enhanced projects not anticipated in adopted budget
- Budget for asset depreciation in the City’s Enterprise Funds