

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING Tuesday, January 19, 2021

5:30 PM – Regular Meeting

In response to Governor's Executive Order N-29-20 and the Resolution Declaring the Existence of a Local Emergency Relating to the COVID-19 Pandemic adopted by the City of Rancho Cordova, the City Council meetings are currently Teleconference Meetings Only to align with local and federal guidelines and social distancing recommendations for the containment of COVID-19.

If there is a need for training or assistance in using the teleconferencing platform, please contact the office of the City Clerk no later than 10:00 a.m. Tuesday, January 19, 2021 at (916) 851-8720.

City Hall
2729 Prospect Park Drive, Rancho Cordova

Join the Meeting Via Zoom Link:

<https://cityofranchocordova.zoom.us/j/96198607989?pwd=NG1RUFMxS29zdEY4ZmhUVVYwOWt2Zz09>

Join the Meeting via the Zoom Phone Number

Zoom Phone Number: US: +1 669 900 6833, +1 253 215 8782, 888 475 4499 (Toll Free)

Webinar ID: 961 9860 7989

Password: 687202

Live video streams and indexed archives of meetings are also available via the Internet. Visit the City's official website at: <https://ranchocordovaca.civicclerk.com/web/home.aspx>

Instructions to Make Public Comment

Members of the public who wish to provide public comment via email will need to submit comments to CityClerk@cityofranchocordova.org no later than 4:30 p.m. on Tuesday, January 19, 2021. All comments submitted later than 4:30 p.m. will be sent to the City Council for their review and may not be read during the meeting.

During the meeting, members of the public who wish to provide verbal comments during the meeting can do so by video/teleconference. If you wish to provide verbal comments via video/teleconference, follow these instructions:

Listening to a Zoom Meeting by Zoom Video Conference

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

Listening to a Zoom Meeting by Phone Only

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

All public comments will be limited to three-minutes.

If you have questions related to the City Council Meeting or the use of Zoom, please contact the City Clerk’s Office at (916) 851-8720 Tuesday, January 19, 2021 before 4:30 p.m.

AGENDA

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Council Members Budge, Pulipati, Sander, Terry, and Mayor Gatewood

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

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

3. PLEDGE OF ALLEGIANCE

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

4. INVOCATION

Paul Allen with the Sacramento Japanese United Methodist Church will give the invocation.

5. PRESENTATIONS

- 5.1. Presentation by Joe A. Gonsalves & Son and Simon and Company Inc. Regarding 2021 Legislative Priorities.

6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter not on the agenda may do so at this time via teleconference using Zoom.

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

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.

7. COUNCIL REPORTS

8. CITY MANAGER'S REPORT

9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

9.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of January 4, 2021.

Recommendation: Adopt the Minutes.

9.2. **Subject:** A Resolution Authorizing the City Council to Approve the Second Amendment to the Joint Powers Agreement between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento Creating the Sacramento Central Groundwater Authority.

Recommendation: Adopt the Resolution.

9.3. **Subject:** Second Reading of an Ordinance Amending Sections of the Rancho Cordova Municipal Code Related to Title 23 Zoning Code.

Recommendation: Waive the second reading and adopt the Ordinance

9.4. **Subject:** 2021 Legislative Priorities.

Recommendation: Approve the City's 2021 Legislative Priorities.

10. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

10.1. **Subject:** A Resolution to Approve 3501 Recycle Road Tentative Parcel Map; Project DD10023.

Recommendation: Adopt the Resolution.

11. PUBLIC HEARING ITEMS

11.1. **Subject:** A Resolution to Approve an Administrative Use Permit (AUP), Conditional Use Permit (CUP), and Letter of Public Convenience and Necessity (PCN) for Royal C Store - Project No. DD10007.

Recommendation: Adopt the Resolution.

12. REGULAR CALENDAR ITEMS

- 12.1. **Subject:** A Resolution Authorizing the Issuance of Special Tax Bonds for and on Behalf of the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1, Approving and Directing the Execution of a Supplemental Fiscal Agent Agreement, Approving the Form of Preliminary Official Statement, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions.

Recommendation: Adopt the Resolution.

- 12.2. **Subject:** Discussion Regarding Proposed Affordable Housing Project at the Corner of Anatolia Drive and Chrysanthy Boulevard.

Recommendation: Receive information regarding a proposed affordable housing development on the southwest corner of Anatolia Drive and Chrysanthy Boulevard and provide direction whether to continue pursuing that project.

- 12.3. **Subject:** Great Plates Delivered 2021 Program Update and Discussion.

Recommendation: Receive presentation.

- 12.4. **Subject:** Mobilehome Discussion Regarding Scope of State and Local Authority to Enact Regulations.

Recommendation: Receive information and provide direction.

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

14. 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.cityofranhocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

UPCOMING MEETINGS

January 26, 2021	1:00 PM Special Meeting/Work Session
January 27, 2021	1:00 PM Special Meeting/Work Session
February 1, 2021	3:00 PM Special Meeting/Regular Meeting
February 16, 2021	5:30 PM Regular Meeting

February 23, 2021	5:30 PM Special Meeting/Work Session
March 1, 2021	4:00 PM Special Meeting/Regular Meeting
March 15, 2021	5:30 PM Regular Meeting
March 23, 2021	5:30 PM Special Meeting/Work Session

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

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

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

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the January 19, 2021 Regular Meeting of the Rancho Cordova City Council was posted and available for review on January 14, 2021 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed January 14, 2021 at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

ITEM 9.1.

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

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

In response to Governor’s Executive Order N-29-20 and the Resolution Declaring the Existence of a Local Emergency Relating to the COVID-19 Pandemic adopted by the City of Rancho Cordova, the City is following the state guidelines on social distancing including the requirement of wearing a face covering. This meeting will also be available to the public via video/teleconferencing.

Monday, January 4, 2021

DRAFT MINUTES

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Mayor Gatewood called the Regular meeting to order in the David B. Roberts Council Chambers at 5:37 p.m.

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

Council Members Absent: None

Staff Members Present: Cyrus Abhar, Adam Lindgren, Stacy Leitner and Persephonie Riley

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

3. PLEDGE OF ALLEGIANCE

Council Member Siri Pulipati led the pledge.

4. INVOCATION

Travis Kimball with The Church of Jesus Christ of Latter-day Saints led the invocation.

5. PRESENTATIONS

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, January 4, 2021

6. PUBLIC COMMENT

Mayor Gatewood opened the public comment period. The following individuals addressed the Council:

1. Mark Berry
2. Helen Bashaw
3. Angel Ball

Mayor Gatewood 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

Council Member Sander asked that Item 9.4 be pulled for separate discussion.

ACTION: Motion to approve items 9.1 through 9.3 and 9.5 through 9.7 by Budge second by Terry;
Motion passed with a 5:0 vote.

- 9.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of December 21, 2020.

Recommendation: Adopt the Minutes.

- 9.2. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2020-220 in an Amount not to Exceed \$450,000 with Dokken Engineering for Stormwater Support Services.

Recommendation: Adopt the Resolution.

- 9.3. **Subject:** A Resolution Making Certain Findings and Determinations Related to, and Accepting, the FY 2019-20 Development Impact Fee Report for AB1600 Development Fees.

Recommendation: Adopt the Resolution.

- 9.4. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2020-218 in an Amount not to Exceed \$283,968.03 with M4 Concrete and Drywall, Inc. to Construct the 2020 ADA Sidewalk Improvement Project at Various Locations in the City.

Recommendation: Adopt the Resolution.

ACTION: Motion to approve item 9.4. by Sander second by Terry;
Motion passed with a 5:0 vote.

- 9.5. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 71-2018-2 for Professional Services with Wood Rodgers, Inc. to Increase the Contract Amount from \$80,000 to an Amount not to Exceed \$110,000 for Professional Engineering and Support Services Including Assistance with Updating the Traffic Impact Fee Program.

Recommendation: Adopt the Resolution.

- 9.6. **Subject:** A Resolution of the City Council of the City of Rancho Cordova, State of California, Authorizing the City Manager to Execute Contract Amendment No. 2020-98-1 with DKS Associates to Increase the Contract Amount from \$100,000 to an Amount not

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, January 4, 2021

to Exceed \$450,000 and Extend the Term of the Contract to June 30, 2023, for On-Call Transportation Engineering and Planning Services.

Recommendation: Adopt the Resolution.

- 9.7. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2020-219 with Bennett Engineering Services, Inc. in an Amount not to Exceed \$249,846.63 for Engineering and Design Services for the Sunrise/Folsom Blvd Safety Improvements Project.

Recommendation: Adopt the Resolution.

10. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

None.

11. PUBLIC HEARING ITEMS

- 11.1. **Subject:** An Ordinance Amending Sections of the Rancho Cordova Municipal Code Related to Title 23 Zoning Code and Discussion and Direction on Future Amendments to Title 23.

Recommendation: Introduce and waive the first reading of the Ordinance and receive a report and provide direction to staff on potential Municipal Code Amendments related to veterinary facilities and digital freeway signs and to provide direction regarding a future amendment regarding emergency shelters.

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

1. Mary Nesel
2. Brian Cooley
3. Shelly Blanchard
4. Angel Ball
5. Donald Childs

Mayor Gatewood closed the public comment period.

ACTION: Motion to approve item 11.1 by Budge second by Pulipati;
Motion passed with a 5:0 vote.

ACTION: Input was received regarding Discussion and Direction on Future Amendments to Title 23 of the Rancho Cordova Municipal Code.

12. REGULAR CALENDAR ITEMS

- 12.1. **Subject:** A Resolution Approving the 2021 Rancho Cordova City Council Meeting Schedule.

Recommendation: Adopt the Resolution.

ACTION: Item was continued to a date uncertain.

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

1. Council Meetings Closed to the Public Until Further Notice.
2. Staff to Follow up with Member of the Public Regarding Request at Previous Council Meeting.

14. ADJOURNMENT

Mayor Gatewood adjourned the meeting at 7:33 p.m.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, January 4, 2021

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 9.2.

DATE: January 19, 2021

TO: Honorable Mayor and Council Members

FROM: Albert Stricker, Public Works Director
Dalia Fadl, Senior Civil Engineer

SUBJECT: **A RESOLUTION AUTHORIZING THE CITY COUNCIL TO APPROVE THE SECOND AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE CITY OF ELK GROVE, THE CITY OF FOLSOM, THE CITY OF RANCHO CORDOVA, THE CITY OF SACRAMENTO, AND THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will approve the Second Amendment to the Sacramento Central Groundwater Authority (SCGA) Joint Powers Agreement (JPA) to incorporate adjustment of SCGA's boundaries, change in governing board membership based on the boundary adjustments, modify its governing board membership eligibility criteria, and update technical definitions.

BACKGROUND

On August 7, 2006, Rancho Cordova City Council authorized the creation of the Sacramento Central Groundwater Authority through execution of a Joint Powers Agreement (JPA) with the Cities of Elk Grove, Folsom, Sacramento, and the County of Sacramento. The purpose of the SCGA is to ensure implementation of the Central Basin Management Objectives prescribed in the Groundwater Management Plan including:

- Maintain the long-term sustainable yield of the Central Sacramento County Groundwater Basin (Central Basin).
- Manage the use of groundwater in the Central Basin.

- Facilitate implementation of coordinated surface water and groundwater programs by water purveyors.
- Coordinate efforts among those entities represented on the governing board of the SCGA to devise and implement strategies to safeguard groundwater quality.
- Work collaboratively with other entities to promote coordination of water policies and activities throughout the region.

The JPA was first amended in 2017 to allow the Florin Resources Conservation District/Elk Grove Water Service, the Omochumne-Hartnell Water District, and the Rancho Murieta Community Services District to appoint a designated employee to the SCGA Governing Board.

SCGA desires to amend the JPA for the second time to incorporate adjustment of SCGA's boundaries, change in governing board membership based on the boundary adjustments, modify its governing board membership eligibility criteria, and update technical definitions. The SCGA Board took formal action on August 12, 2020 recommending approval of the Second Amendment to the Agreement.

Any amendment of the JPA requires the affirmative vote of all governing bodies of the five signatory agencies. Adoption of this resolution will authorize the City Council to approve the second JPA amendment.

FISCAL IMPACT AND FUNDING SOURCE

The City of Rancho Cordova makes an annual contribution of \$20,000 to the JPA out of the City's stormwater fund. This JPA amendment will have no additional fiscal impact to the City.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - SCGA JPA Second Amendment Proposed Revisions
3. SCGA Board of Directors Approval of JPA Amendments to Signatory Agencies

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY COUNCIL TO APPROVE THE SECOND AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE CITY OF ELK GROVE, THE CITY OF FOLSOM, THE CITY OF RANCHO CORDOVA, THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

WHEREAS, the Sacramento Central Groundwater Authority ("SCGA") was established on August 29, 2006 pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code) by agreement of the County of Sacramento and the cities of Elk Grove, Folsom, Rancho Cordova, and Sacramento ("Parties") to regulate groundwater by a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin ("Central Basin") and to develop and implement a groundwater management plan ("GMP") to promote the use of groundwater resources within the Central Basin for agricultural and municipal and industrial uses in the public interest and for the common benefit of all water users within the County of Sacramento ("Agreement"); and

WHEREAS, the Agreement identifies SCGA's governing body representing various public agencies and interests, sets the boundaries managed by SCGA, and sets membership criteria; and

WHEREAS, SCGA desires to amend the Agreement for the second time to incorporate adjustment of SCGA's boundaries, change in governing board membership based on the boundary adjustments, modify its governing board membership eligibility criteria, and update technical definitions; and

WHEREAS, SCGA's Board took formal action on August 12, 2020 recommending approval of the Second Amendment to the Agreement; and

WHEREAS, any amendment of the Agreement requires the affirmative vote of all governing bodies of the Parties.

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

1. Approves the Second Amendment to the Joint Powers Agreement Between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento Creating the Sacramento Central Groundwater Authority ("Second Amendment"), in the form attached hereto as Exhibit A; and
2. Delegates authority to the Mayor to execute the Second Amendment to the Agreement.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 19th day of

ITEM 9.2.

ATTACHMENT 1

January 2021 by following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

Garrett Gatewood, Mayor

**SECOND AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE
CITY OF ELK GROVE, THE CITY OF FOLSOM, THE CITY OF RANCHO
CORDOVA, THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO
CREATING THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

This Second Amendment to the Joint Powers Agreement (“Second Amendment”) is made and entered into this ___ day of _____, 2020, by and between the City of Elk Grove, a municipal corporation, the City of Folsom, a municipal corporation, the City of Rancho Cordova, a municipal corporation, the City of Sacramento, a municipal corporation, and the County of Sacramento, a political subdivision of the State of California.

RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Sacramento; and

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by the agencies entering into such an agreement; and

WHEREAS, the Parties approved and fully executed the First Amendment to this Joint Powers Agreement on April 21, 2017 allowing non-elected staff of three Authority member entities to be nominated and appointed as Authority Board members;

WHEREAS, the Parties desire to further amend the Joint Powers Agreement to incorporate adjustment of the Authority’s boundaries, change in governing board membership based on the boundary adjustments, modification to governing board membership eligibility criteria, and updated technical definitions;

WHEREAS, each of the parties hereto has under its police power the authority to regulate groundwater; and

WHEREAS, the parties are cognizant of the process commonly referred to as the Sacramento Area Water Forum (Water Forum) and of the Water Forum Agreement (WFA); and

WHEREAS, the WFA provided for the creation of a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin, then known as the South

Basin, but now identified as the Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65), also abbreviated herein as SASb, to develop a groundwater management plan (GMP) for the basin and make recommendations on how and by whom the basin should be managed and the GMP implemented; and

WHEREAS, in accordance with the provisions of the WFA, the Sacramento Area Water Forum Successor Effort convened such a collaborative process, known as the Central Sacramento County Groundwater Forum (CSCGF); and

WHEREAS, the CSCGF has completed its work on the GMP and recommended the establishment of a joint powers authority to manage the basin and implement the plan; and

WHEREAS, the parties hereto find that it is to their mutual advantage and benefit, and in the public interest, to establish such an authority pursuant to this Agreement in order to implement the GMP developed by the CSCGF; and

WHEREAS, the parties hereto find and declare that the conservation of groundwater resources within the SASb for agricultural and municipal and industrial uses is in the public interest and for the common benefit of all water users within the County of Sacramento; and

WHEREAS, one of the primary purposes of the joint powers authority established pursuant to this Agreement is to maintain the sustainable yield of the SASb as set forth in the GMP; and

WHEREAS, it is the desire of the parties hereto to use the groundwater management powers which they have in common that are necessary and appropriate to further the purposes for which the joint powers authority is being established; and

WHEREAS, to accomplish the above stated goals and purposes, the Sacramento Central Groundwater Authority (SCGA) elected, by Resolution 2016-06, to become the Groundwater

Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA) for a portion of the groundwater subbasin overlying the County of Sacramento within the SASb and further identified as SCGA GSA, graphically depicted in Exhibit A and incorporated herein to this Agreement.

WHEREAS, the parties hereto may amend this Agreement in the future to incorporate changes that may be the result of discussions with other public agencies both inside and outside the County of Sacramento which have a specific and relevant interest in the SASb.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, and the City of Sacramento and the County of Sacramento hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.
2. **Definitions.** As used in this Agreement, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.
 - (a) “Authority” shall mean the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and this Agreement.
 - (b) “Conjunctive use” shall mean the planned management and use of both groundwater and surface water in order to maintain the sustainable yield of the SASb.
 - (c) “SASb” shall mean Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65).
 - (d) “Sustainable yield” shall mean the amount of groundwater which can be safely extracted from the SASb on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable yield requires a balance between extraction

and basin recharge and is expressed as the number of acre feet of groundwater per year which can be extracted from the SASb on an average annual basis as set forth in the GMP.

(e) “Conservation land owner” shall mean a non-profit land trust holding a fee or easement interest in one thousand five hundred (1500) acres or more of land located within the boundaries of the Authority, as defined in Section 4 below.

(f) “Annual pumping” for purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self-supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority’s Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.

(g) “GMP” means the Central Sacramento Groundwater Management Plan produced by the Central Sacramento County Groundwater Forum and dated February 2006.

3. **Purpose.** This Agreement is being entered into in order to establish a joint powers authority for the following purposes:

- (a) to maintain the long-term sustainable yield of the SASb;
- (b) to ensure implementation of the Basin Management Objectives that are prescribed by the GMP;
- (c) to oversee the operation of any Well Protection Program that may be prescribed by the GMP;

- (d) to manage the use of groundwater within the boundaries of the Authority and facilitate implementation of an appropriate conjunctive use program by water purveyors;
- (e) to coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and
- (f) to work collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agriculture Water Authority and other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

4. Establishment Of The Authority. There is hereby established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Sacramento Central Groundwater Authority. The boundaries of the Authority shall be as follows: That portion of the Sacramento Valley South American Subbasin (Basin 5-21.65) bounded on the north by the American River; bounded on the south by the Cosumnes River to the intersection with State Highway 99, Grant Line Road to the intersection with Jackson Highway, and the southern boundary of Kiefer Landfill; on the west by the Sacramento River and Interstate 5, and on the east by the Sacramento County Urban Services Boundary, as further and more precisely depicted in the boundary map, attached hereto and incorporated herein as Exhibit A.

5. Membership Of The Governing Board. The governing body of the Authority shall be a Board of Directors of fourteen (14) members consisting of the following representatives who shall be appointed in the manner set forth in Section 7 of this Agreement:

- (a) An elected member of the governing board or designated employee of each of the following public agencies: the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the County of Sacramento and the Sacramento Regional County Sanitation District.
- (b) An elected member of the governing board or designated employee of the Florin Resource Conservation District/Elk Grove Water District.
- (c) A member of the board of directors, or designee thereof, of each of the following private water purveyors or investor owned utilities the California-American Water Company, and the Golden State Water Company.
- (d) One representative of agricultural interests within the boundaries of the Authority.
- (e) One representative of agriculture-residential groundwater users within the boundaries of the Authority.
- (f) One representative of commercial/industrial self-supplied groundwater users within the boundaries of the Authority.
- (g) One representative of conservation landowners within the boundaries of the Authority.
- (h) One representative of public agencies that are self-supplied groundwater users within the boundaries of the Authority.

6. Adjustment To Composition Of Governing Board. Should circumstances change in the future, any person or entity may petition the parties hereto to amend this Agreement so as to add or delete representatives to the governing board to accurately reflect groundwater production within the boundaries of the Authority.

7. Appointment Of Members Of Governing Board.

(a) The members of the governing board of the Authority shall be appointed as follows:

- (i) The City of Elk Grove representative shall be appointed by the Elk Grove City Council.
- (ii) The City of Folsom representative shall be appointed by the Folsom City Council.
- (iii) The City of Rancho Cordova representative shall be appointed by the Rancho Cordova City Council.
- (iv) The City of Sacramento representative shall be appointed by the Sacramento City Council.
- (v) The County of Sacramento representative shall be appointed by the Sacramento County Board of Supervisors (“Board”).
- (vi) The Florin Resource Conservation District/Elk Grove Water Service representative shall be appointed by the Elk Grove City Council.
- (vii) The Golden State Water Company representative shall be appointed by the Rancho Cordova City Council.
- (viii) The California-American Water Company representative shall be appointed by the Sacramento County Board of Supervisors.
- (ix) In addition to the representative of the County of Sacramento provided for in Section 7 (a)(v), the following representatives shall be appointed by the Board:
 - 1. Agricultural interests. After considering the nomination by the Sacramento County Farm Bureau, as required by sub-section (b) of

this Section, the Board shall appoint the representative of agricultural interests.

2. Agriculture-residential groundwater users. After considering the nomination by the Vineyard Community Advisory Council in consultation with adjacent Councils within the SASb, as required by sub-section (b) of this Section, the Board shall appoint the representative of agricultural/ residential groundwater users.
3. Commercial/industrial self-supplied groundwater users. After considering the joint nomination by the Sacramento Metropolitan Chamber of Commerce and the Building Industry Association in consultation with commercial/industrial self-supplied groundwater users and business organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Board shall appoint the representative of commercial/industrial self-supplied groundwater users.
4. Conservation landowners. After considering the nomination by conservation landowners holding a fee or easement interest in one thousand five hundred (1500) acres or more within the boundaries of the Authority in consultation with environmental and community organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Board shall appoint the representative of conservation land owners.
5. Public agencies that are self-supplied groundwater users. After considering the nomination by the Southgate Recreation and Park

District in consultation with other public agencies which are self-supplied groundwater users, as required by sub-section (b) of this Section, the Board shall appoint the representative of public agencies that are self-supplied groundwater users.

6. Sacramento Regional County Sanitation District. After considering the nomination by the Sacramento Regional County Sanitation District, as required by sub-section (b) of this Section, the Board shall appoint the representative of the Sacramento Regional County Sanitation District.

(b) Prior to the appointment of the representatives of the entities described in subsections (a)(vi) through (a)(ix) above, those entities shall submit a recommended appointment for their respective representatives to the appointing authority identified in subsections (a)(vi) through (a)(ix) of this Section 7. The appointing authority shall give consideration to such recommendations, but shall retain the absolute discretion to appoint any person satisfying the criteria for appointment set forth in Section 5 of this Agreement.

8. Governing Board Voting Requirements.

(a) Each member of the governing board of the Authority shall have one vote. With the exception of fiscal items as set forth in subsections (b) and (c) below, an affirmative vote by a majority of all members of the governing board is required to approve any item related to implementation of the Groundwater Management Plan.

(b) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of all the members of the governing board that includes affirmative votes by all of the

representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(c) Any change in annual contributions necessary to support the work of the Authority as set forth in subsection (d) below, shall require an affirmative vote of ten of the fourteen members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(d) The Authority shall initially be funded as follows:

- (i) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars (\$10,000.00) each. (These entities shall not be required to pay any additional fee or assessment, such as that described in subsection (d)(ii) below.)
- (ii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that purvey surface water in the amount of six thousand dollars (\$6,000.00).
- (iii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that utilize groundwater, calculated at the rate of two dollars and seven cents (\$2.07) per acre foot of groundwater pumped from the basin, averaged over the three previous years and excluding the first five thousand (5000) acre feet pumped in each of those years.

- (iv) An annual contribution by agriculture computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.
 - (v) An annual contribution by agriculture/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.
 - (vi) All annual funds shall be paid by July 1 of each year, commencing on July 1, 2006. The annual fee for the first year after the effective date of this Agreement shall be prorated from the date of the last signatory approval establishing the Authority.
- (e) The governing board of the Authority may, at its discretion, adjust the funding contributions set forth in sub-section (d) above, subject to compliance with the voting requirements prescribed in sub-section (c) above.

9. Quorum. A majority of the members of the governing board shall constitute a quorum for purposes of transacting business, except less than a quorum may vote to adjourn a meeting.

10. Terms Of Office. With the exception of the initial term of the representatives appointed by the County of Sacramento as described in Section 7 (a)(ix), the term of office of each member of the governing board the Authority shall be for a period of four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of two (2)

years. Thereafter, the term of office of each representative appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of four (4) years. Each member of the governing board shall serve at the pleasure of the appointing body and may be removed as a member of the governing board by the appointing body at any time. If at any time a vacancy occurs on the governing board, a replacement shall be appointed to fill the unexpired term of the previous representative pursuant to the provisions of Section 7 of this Agreement within ninety (90) days of the date that such position becomes vacant.

11. Alternates. The City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento, in addition to their regular appointments, shall appoint one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority. The other entities described in Section 7 (a) (vi) through (a) (ix), which may nominate their respective representatives, may also nominate one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority and such alternates shall be appointed pursuant to the procedure for regular appointments set forth in Section 7(b) of this Agreement. Any such alternates who are appointed as alternates by the appointing authorities specified in Section 7(a)(vi) through (a)(ix) shall be empowered to cast votes in the absence of the regular members or, in the event of a conflict of interest preventing the regular member from voting, to vote because of such a conflict of interest.

12. Organization Of The Authority. The governing board of the Authority shall elect a chair, a vice chair and such other officers as the governing board shall find appropriate. Such officers shall serve for a term of one (1) year unless sooner terminated at the pleasure of the governing board.

13. Treasurer, Controller, Clerk and Legal Counsel.

(a) The County of Sacramento Director of Finance shall act as treasurer and controller for the Authority. The controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(b) The governing board of the Authority shall appoint a clerk and legal counsel as it deems appropriate.

14. Executive Director. The governing board of the Authority, with the concurrence of the Sacramento County Water Agency, shall appoint an Executive Director who shall be responsible to the governing board for the proper and efficient administration of the Authority as directed by the governing board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the governing board. In addition to any other duties which may be assigned, the Executive Director shall have the following authority:

- (a) under the policy direction of the governing board, to plan, organize and direct all Authority activities;
- (b) to authorize expenditures within the designations and limitations of the budget approved by the governing board;

- (c) to make recommendations to and requests of the governing board concerning any matter which is to be performed, done or carried out by the governing board;
- (d) to have the authority to appoint, discipline, assign and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and
- (e) to have charge of, handle and have access to any property of the Authority.

15. Meetings. The Authority shall provide for regular and special meetings in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision.

16. Minutes. The clerk appointed by the governing body of the Authority shall cause to be kept minutes of all meetings of the governing board, and shall cause a copy of such minutes to be forwarded to each member of the governing board and to the chief administrative officer of each of the signatory agencies.

17. Powers and Functions.

- (a) The Authority shall have no power to regulate land use or to engage in the retail sale of water.
- (b) Subject to the limitations set forth in subsection (a), the Authority shall have any and all powers commonly held by the parties hereto necessary or appropriate to regulate groundwater within the boundaries of the Authority including, but not limited to, the following powers:
 - (i) Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the SASb;
 - (ii) Facilitate any Conjunctive Use program the purpose of which is to maintain the Sustainable yields in the SASb consistent with the GMP;

- (iii) Distribute water in exchange for ceasing or reducing groundwater extractions;
 - (iv) Spread, sink and inject water into the SASb;
 - (v) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority;
 - (vi) Study and plan ways and means to implement any or all of the foregoing powers.
- (c) For purposes of exercising the authority set forth in subsection (b), and subject to the limitations set forth in subsection (a), the Authority shall have the following corporate and political powers:
- (i) To sue and be sued in all actions and proceedings in all courts and tribunals.
 - (ii) To adopt a seal and alter it at its discretion.
 - (iii) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.
 - (iv) To act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

- (v) To cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.
- (vi) To require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the SASb.
- (vii) To make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.
- (viii) To carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.
- (ix) To fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.
- (x) To participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefitted by the resulting replenishment of the SASb.

(xi) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

18. Budgets. Within ninety (90) days after the first meeting of the governing board of the Authority, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 30), the governing board shall adopt a budget for the Authority for the ensuing fiscal year.

19. Adoption of the Central Sacramento County Groundwater Management Plan. Within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall consider for adoption the Central Sacramento County Groundwater Management Plan (CSCGMP) negotiated by the Central Sacramento County Groundwater Forum and dated February, 2006. The governing board of the Authority may revise the CSCGMP subsequent to its adoption as it deems appropriate.

20. Implementation of the Well Protection Program. In order to facilitate the implementation of the Well Protection Program described in the Central Sacramento County Groundwater Management Plan, within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall submit to each of the entities who are signatories to this Agreement, and who have land use authority for areas within the boundaries of the Authority where new development will or may be served by groundwater, a draft Well Protection Plan ordinance to consider for adoption.

21. Termination. This Agreement shall remain in effect until terminated by one of the parties hereto pursuant to this section. This Agreement may be terminated by any of the

parties hereto at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.

22. Disposition Of Authority Assets Upon Termination.

(a) In the event of the termination of the Authority where there will be a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity.

(b) If there is no successor public entity which will carry on the functions of the Authority and assume its assets, the assets shall be returned to the parties hereto in proportion to the contribution of each party during the term of this Agreement.

(c) If there is a successor public entity which will carry on some of the functions of the Authority and assume some of its assets, the assets of the Authority shall be allocated by the governing board of the Authority between the successor public entity and the parties hereto.

23. Liabilities. The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the parties to this Agreement.

24. Rules. The governing board of the Authority may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

25. Effective Date. This agreement and the Authority created under it shall become effective when the governing bodies of all of the parties shall have authorized its execution.

26. Amendments. This Agreement may only be amended by the affirmative vote of the governing bodies of all of the parties hereto.

27. Liberal Construction. The provisions of this Agreement shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

28. Liability of Board, Officers and Employees.

(a) The members of the Board, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the parties to this Agreement for of any mistake of judgment or other action made, taken, or omitted by them in good faith, nor for any action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Authority's funds, or failure to invest the same.

(b) To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement.

(c) The funds of the Authority shall be used to defend, indemnify, and hold harmless the Authority and any member of the Board, officer, or employee of the Authority for actions taken in good faith and within the scope of his or her authority. Nothing herein shall limit the right of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

29. **Notices.** Any notices to the parties required by this Agreement shall be delivered or mailed, United States Mail first class, postage prepaid, addressed as follows:

CITY OF ELK GROVE
8380 Laguna Palms Way
Elk Grove, CA 95758
Attn: City Engineer

CITY OF FOLSOM
50 Natoma Street
Folsom, CA 95630
Attn: Director of Utilities

CITY OF RANCHO CORDOVA
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: Public Works Director

CITY OF SACRAMENTO
1395 35th Ave
Sacramento, CA 95822
Attn: Director, Department of Utilities

COUNTY OF SACRAMENTO
827 7th Street, Rm 301
Sacramento, CA 95814
Attn: Director, Department of Water Resources

Notices given under this Agreement shall be deemed to have been received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties pursuant to this Section.

IN WITNESS WHEREOF, the parties hereto execute this Second Amendment on the date first written above.

CITY OF ELK GROVE

Dated: _____

By _____
Mayor

Attest:

Approved As To Form:

City Clerk

City Attorney

CITY OF FOLSOM

Dated: _____

By _____
Mayor

Attest:

Approved As To Form:

City Clerk

City Attorney

CITY OF RANCHO CORDOVA

Dated: _____

By _____
Mayor

Attest:

Approved As To Form:

City Clerk

City Attorney

CITY OF SACRAMENTO

Dated: _____

By _____
Mayor

Attest:

Approved As To Form:

City Clerk

City Attorney

COUNTY OF SACRAMENTO

Dated: _____

By _____
Chairperson, Board of Supervisors

Attest:

Approved As To Form:

Clerk of the Board

County Counsel

**AGENDA ITEM 7: AMENDMENTS TO SCGA JOINT POWERS
AGREEMENT****BACKGROUND:**

With the passage of the Sustainable Groundwater Management Act (SGMA), a number of public agencies within the South American Subbasin elected to become Groundwater Sustainability Agencies. These included SCGA, Omoichumne-Hartnell Water District (OHWD), Sloughhouse Resource Conservation District (SRCD), and a number of Reclamation Districts in the southwestern (Delta) portion of the Subbasin. Where there were overlapping jurisdictions, Department of Water Resources could not recognize an exclusive Groundwater Sustainability Agency as required under SGMA.

The overlapping areas were resolved through a Memorandum of Understanding among five parties, resulting in a reduction of the area administered by SCGA under SGMA. The proposed amendments to the Joint Powers Agreement (JPA) reflect these boundary changes and other related modifications, which include removing the areas overlain by OHWD (with the exception of the Kiefer Landfill), Rancho Murieta Community Services District, and a portion of SRCD, with corresponding changes to the composition of the SCGA Board of Directors. Additionally, the nominating language for the Conservation Landowner representative is changed to reflect some land in OHWD being outside the modified SCGA boundary. Following approval by the SCGA Board of Directors, the JPA amendments will be forwarded to the JPA Signatories (County of Sacramento, Cities of Folsom, Rancho Cordova, Elk Grove and Sacramento) for action.

STAFF RECOMMENDATION:

Recommend adoption of JPA amendments to signatory agencies.

KEY TO SCGA JPA Proposed Revisions Summary For August 12, 2020 Meeting

The below table lists the proposed revisions to the JPA based on adjustments to SCGA's boundaries and impacts to membership based on those adjustments. Sections highlighted in yellow in the attached draft JPA include added language or changes to existing language. Redline indicates that section is completely deleted. The language in blue on Page 7, Section 5(b), reflects the revision incorporated from the First Amendment to the JPA adopted in 2017. The revisions also include technical updates to the identification of the subbasin.

Pages 1-3, WHEREAS Section	Language added: • Added a WHEREAS acknowledging the previous amendment. • Added a WHEREAS stating the reason for this amendment, the scope of the changes, and impact on membership. • Revised several WHEREAS sections updating the technical description of the subbasin. • Added a WHEREAS to include SCGA becoming a GSA.
Pages 4-5, Section 2	• Section (c), revised to reflect "Central Basin" is now within SASb and corrected throughout definitions section and the agreement. • Section (e), revised conservation landowner fee or easement interests to 1500 acres or more (reduced from 2500).
Page 6, Section 4	Original language describing the SCGA boundary deleted and new boundary language added.
Page 7, Section 5	Due to the boundary adjustment, the number of Board members reduced to 14.
Page 7, Section 5(b)	Omochumne Hartnell Water District and Rancho Murieta Community Services District deleted as no longer within SCGA's boundaries; EG Service changed to District.

Page 10, Section 7(a)(ix)4.	Language revised to change conservation landowner fee or easement interests to 1500 acres or more (reduced from 2500).
Pages 10-11, Sections 7(a)(ix)5. and 7.	Omochumne Hartnell Water District and Rancho Murieta Community Services District deleted as no longer within SCGA's boundaries.
Page 12, Section 8 (c)	Because the Board membership is reduced to 14, the voting requirements for changes in annual contributions need to be adjusted to 10 out of 14.

**SECOND AMENDMENT TO THE JOINT POWERS AGREEMENT
BETWEEN THE CITY OF ELK GROVE, THE CITY OF FOLSOM, THE
CITY OF RANCHO CORDOVA, THE CITY OF SACRAMENTO AND
THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO
CENTRAL GROUNDWATER AUTHORITY**

This Second Amendment to the Joint Powers Agreement ("Second Amendment") is made and entered into this ___ day of ___, 202006, by and between the City of Elk Grove, a municipal corporation, the City of Folsom, a municipal corporation, the City of Rancho Cordova, a municipal corporation, the City of Sacramento, a municipal corporation, and the County of Sacramento, a political subdivision of the State of California.

RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Sacramento; and

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by the agencies entering into such an agreement; and

WHEREAS, the Parties approved and fully executed the First Amendment to this Joint Powers Agreement on April 21, 2017 allowing non-elected staff of three Authority member entities to be nominated and appointed as Authority Board members;

WHEREAS, the Parties desire to further amend the Joint Powers Agreement to incorporate adjustment of the Authority's boundaries, change in governing board membership based on the boundary adjustments, modification to governing board membership eligibility criteria, and updated technical definitions;

WHEREAS, each of the parties hereto has under its police power the authority to regulate groundwater; and

WHEREAS, the parties are cognizant of the process commonly referred to as the Sacramento Area Water Forum (Water Forum) and of the Water Forum Agreement (WFA); and

WHEREAS, the WFA provided for the creation of a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin, then known as the South Basin, but now identified as the Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65), also abbreviated herein as SASb, to develop a groundwater management plan (GMP) for the basin and make recommendations on how and by whom the basin should be managed and the GMP implemented; and

WHEREAS, in accordance with the provisions of the WFA, the Sacramento Area Water Forum Successor Effort convened such a collaborative process, known as the Central Sacramento County Groundwater Forum (CSCGF); and

WHEREAS, the CSCGF has completed its work on the GMP and recommended the establishment of a joint powers authority to manage the basin and implement the plan; and

WHEREAS, the parties hereto find that it is to their mutual advantage and benefit, and in the public interest, to establish such an authority pursuant to this Agreement in order to implement the GMP developed by the CSCGF; and

WHEREAS, the parties hereto find and declare that the conservation of groundwater resources within the SASb ~~Central Basin~~ for agricultural and

municipal and industrial uses is in the public interest and for the common benefit of all water users within the County of Sacramento; and

WHEREAS, one of the primary purposes of the joint powers authority established pursuant to this Agreement is to maintain the sustainable yield of the **Central Basin SASb** as set forth in the GMP; and

WHEREAS, it is the desire of the parties hereto to use the groundwater management powers which they have in common that are necessary and appropriate to further the purposes for which the joint powers authority is being established; and

WHEREAS, to accomplish the above stated goals and purposes, the Sacramento Central Groundwater Authority (SCGA) elected, by Resolution 2016-06, to become the Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA) for a portion of the groundwater subbasin overlying the County of Sacramento within the SASb and further identified as SCGA GSA, graphically depicted in Exhibit A and incorporated herein to this Agreement.

WHEREAS, the parties hereto may amend this Agreement in the future to incorporate changes that may be the result of discussions with other public agencies both inside and outside the County of Sacramento which have a specific and relevant interest in the **SASb Central Basin**.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, and the City of Sacramento and the County of Sacramento hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.

2. **Definitions.** As used in this Agreement, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

(a) “Authority” shall mean the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and this Agreement.

(b) “Conjunctive use” shall mean the planned management and use of both groundwater and surface water in order to maintain the sustainable yield of the **SASbCentral Basin.**

(c) **“SASbCentral Basin” shall mean Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65)the groundwater basin underlying the area within the boundaries of the Authority.**

(d) “Sustainable yield” shall mean the amount of groundwater which can be safely extracted from the **Central BasinSASb** on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater per year which can be extracted from the **Central BasinSASb** on an average annual basis as set forth in the GMP.

(c) “Conservation land owner” shall mean a non-profit land trust holding a fee or easement interest in ~~onetwo~~ thousand five hundred (12500) acres or more of land located within the boundaries of the Authority, as defined in Section 4 below.

(f) “Annual pumping” for purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self-supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority’s Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.

(g) “GMP” means the Central Sacramento Groundwater Management Plan produced by the Central Sacramento County Groundwater Forum and dated February 2006.

3. **Purpose.** This Agreement is being entered into in order to establish a joint powers authority for the following purposes:

- (a) to maintain the long-term sustainable yield of the ~~SASb~~Central Basin;
- (b) to ensure implementation of the Basin Management Objectives that are prescribed by the GMP;
- (c) to oversee the operation of any Well Protection Program that may be prescribed by the GMP;

- (d) to manage the use of groundwater within the boundaries of the Authority Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors;
- (e) to coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and
- (f) to work collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agriculture Water Authority and other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

4. **Establishment Of The Authority.** There is hereby established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Sacramento Central Groundwater Authority. The boundaries of the Authority shall be as follows: That portion of the Sacramento Valley South American Subbasin (Basin 5-21.65) bounded on the north by the American River; bounded on the south by the Cosumnes River to the intersection with State Highway 99, Grantline Road to the intersection with Jackson Highway, and the southern boundary of Kiefer Landfill; on the west by the Sacramento River and Interstate 5, and on the east by the Sacramento County Urban Services Boundary, as further and more precisely depicted in the boundary map, attached hereto and incorporated herein as Exhibit A.

~~on the north, the boundary shall be the American River; bounded on the south by the southern boundary of the Omoichumne-Hartnell Water District; on the west by the Sacramento River and Interstate 5 and on the east by the Sacramento—El Dorado County line, as further and more precisely depicted in the boundary map, attached hereto and incorporated herein as Exhibit A.~~

5. **Membership Of The Governing Board.** The governing body of the Authority shall be a Board of Directors of **fourteensixteen (146) members** consisting of the following representatives who shall be appointed in the manner set forth in Section 7 of this Agreement:

(a) An elected member of the governing board or designated employee of each of the following public agencies: the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the County of Sacramento and the Sacramento Regional County Sanitation District.

(b) An elected member of the governing board ~~or~~ **designated employee** of ~~each of the following public agencies:~~ the Florin Resource Conservation District/Elk Grove Water **Service District**, ~~the Omoichumne-Hartnell Water District, and the Rancho Murieta Community Services District.~~

Commented [SJ1]: Just a note, this language was added by the First JPA Amendment.

(c) A member of the board of directors, or designee thereof, of each of the following private water purveyors or investor owned utilities the California-American Water Company, and the Golden State Water Company.

(d) One representative of agricultural interests within the boundaries of the Authority.

- (e) One representative of agriculture-residential groundwater users within the boundaries of the Authority.
- (f) One representative of commercial/industrial self-supplied groundwater users within the boundaries of the Authority.
- (g) One representative of conservation landowners within the boundaries of the Authority.
- (h) One representative of public agencies that are self-supplied groundwater users within the boundaries of the Authority.

6. **Adjustment To Composition Of Governing Board.** Should circumstances change in the future, any person or entity may petition the parties hereto to amend this Agreement so as to add or delete representatives to the governing board to accurately reflect groundwater production within the boundaries of the Authority.

7. **Appointment Of Members Of Governing Board.**

- (a) The members of the governing board of the Authority shall be appointed as follows:
 - (i) The City of Elk Grove representative shall be appointed by the Elk Grove City Council.
 - (ii) The City of Folsom representative shall be appointed by the Folsom City Council.
 - (iii) The City of Rancho Cordova representative shall be appointed by the Rancho Cordova City Council.
 - (iv) The City of Sacramento representative shall be appointed by the Sacramento City Council.

- (v) The County of Sacramento representative shall be appointed by the Sacramento County Board of Supervisors ("Board").
- (vi) The Florin Resource Conservation District/Elk Grove Water Service representative shall be appointed by the Elk Grove City Council.
- (vii) The Golden State Water Company representative shall be appointed by the Rancho Cordova City Council.
- (viii) The California-American Water Company representative shall be appointed by the Sacramento County Board of Supervisors.
- (ix) In addition to the representative of the County of Sacramento provided for in Section 7 (a)(v), the following representatives shall be appointed by the Board:
 - 1. Agricultural interests. After considering the nomination by the Sacramento County Farm Bureau, as required by sub-section (b) of this Section, the Board shall appoint the representative of agricultural interests.
 - 2. Agriculture-residential groundwater users. After considering the nomination by the Vineyard Community Advisory Council in consultation with adjacent Councils within the **SASbCentral Basin**, as required by sub-section (b) of this Section, the Board shall appoint the representative of agricultural/ residential groundwater users.

3. Commercial/industrial self-supplied groundwater users.
After considering the joint nomination by the Sacramento Metropolitan Chamber of Commerce and the Building Industry Association in consultation with commercial/industrial self-supplied groundwater users and business organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Board shall appoint the representative of commercial/industrial self-supplied groundwater users.
4. Conservation landowners. After considering the nomination by conservation landowners holding a fee or easement interest in onetwo thousand five hundred (12500) acres or more within the boundaries of the Authority-Central Basin in consultation with environmental and community organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Board shall appoint the representative of conservation land owners.
5. ~~Omoohumne Hartnell Water District. After considering the nomination by the Omoohumne Hartnell Board of Directors, as required by sub-section (b) of this Section, the Board shall appoint the representative of the Omoohumne Hartnell Water District.~~

6. Public agencies that are self-supplied groundwater users. After considering the nomination by the Southgate Recreation and Park District in consultation with other public agencies which are self-supplied groundwater users, as required by sub-section (b) of this Section, the Board shall appoint the representative of public agencies that are self-supplied groundwater users.

7. ~~Rancho Murieta Community Services District. After considering the nomination by the Rancho Murieta Community Services District, as required by sub-section (b) of this Section 7, the Board shall appoint the representative of the Rancho Murieta Community Services District.~~

8. Sacramento Regional County Sanitation District. After considering the nomination by the Sacramento Regional County Sanitation District, as required by sub-section (b) of this Section, the Board shall appoint the representative of the Sacramento Regional County Sanitation District.

(b) Prior to the appointment of the representatives of the entities described in subsections (a)(vi) through (a)(ix) above, those entities shall submit a recommended appointment for their respective representatives to the appointing authority identified in subsections (a)(vi) through (a)(ix) of this Section 7. The appointing authority shall give consideration to such recommendations, but shall retain the absolute discretion to appoint any

person satisfying the criteria for appointment set forth in Section 5 of this Agreement.

8. Governing Board Voting Requirements.

(a) Each member of the governing board of the Authority shall have one vote. With the exception of fiscal items as set forth in subsections (b) and (c) below, an affirmative vote by a majority of all members of the governing board is required to approve any item related to implementation of the Groundwater Management Plan.

(b) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of all the members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(c) Any change in annual contributions necessary to support the work of the Authority as set forth in subsection (d) below, shall require an affirmative ~~vote of ten~~~~eleven~~ ~~of the fourteen~~~~sixteen~~ members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(d) The Authority shall initially be funded as follows:

- (i) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars (\$10,000.00) each. (These entities shall not be required to pay any additional

fee or assessment, such as that described in subsection (d)(ii) below.)

- (ii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that purvey surface water in the amount of six thousand dollars (\$6,000.00).
- (iii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that utilize groundwater, calculated at the rate of two dollars and seven cents (\$2.07) per acre foot of groundwater pumped from the basin, averaged over the three previous years and excluding the first five thousand (5000) acre feet pumped in each of those years.
- (iv) An annual contribution by agriculture computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.
- (v) An annual contribution by agriculture/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.

(vi) All annual funds shall be paid by July 1 of each year, commencing on July 1, 2006. The annual fee for the first year after the effective date of this Agreement shall be prorated from the date of the last signatory approval establishing the Authority.

(e) The governing board of the Authority may, at its discretion, adjust the funding contributions set forth in sub-section (d) above, subject to compliance with the voting requirements prescribed in sub-section (c) above.

9. **Quorum.** A majority of the members of the governing board shall constitute a quorum for purposes of transacting business, except less than a quorum may vote to adjourn a meeting.

10. **Terms Of Office.** With the exception of the initial term of the representatives appointed by the County of Sacramento as described in Section 7 (a)(ix), the term of office of each member of the governing board the Authority shall be for a period of four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of two (2) years. Thereafter, the term of office of each representative appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of four (4) years. Each member of the governing board shall serve at the pleasure of the appointing body and may be removed as a member of the governing board by the appointing body at any time. If at any time a vacancy occurs on the governing board, a replacement shall be appointed to fill the unexpired term of the previous

representative pursuant to the provisions of Section 7 of this Agreement within ninety (90) days of the date that such position becomes vacant.

11. Alternates. The City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento, in addition to their regular appointments, shall appoint one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority. The other entities described in Section 7 (a) (vi) through (a) (ix), which may nominate their respective representatives, may also nominate one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority and such alternates shall be appointed pursuant to the procedure for regular appointments set forth in Section 7(b) of this Agreement. Any such alternates who are appointed as alternates by the appointing authorities specified in Section 7(a)(vi) through (a)(ix) shall be empowered to cast votes in the absence of the regular members or, in the event of a conflict of interest preventing the regular member from voting, to vote because of such a conflict of interest.

12. Organization Of The Authority. The governing board of the Authority shall elect a chair, a vice chair and such other officers as the governing board shall find appropriate. Such officers shall serve for a term of one (1) year unless sooner terminated at the pleasure of the governing board.

13. Treasurer, Controller, Clerk and Legal Counsel.

(a) The County of Sacramento Director of Finance shall act as treasurer and controller for the Authority. The controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The

treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(b) The governing board of the Authority shall appoint a clerk and legal counsel as it deems appropriate.

14. Executive Director. The governing board of the Authority, with the concurrence of the Sacramento County Water Agency, shall appoint an Executive Director who shall be responsible to the governing board for the proper and efficient administration of the Authority as directed by the governing board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the governing board. In addition to any other duties which may be assigned, the Executive Director shall have the following authority:

- (a) under the policy direction of the governing board, to plan, organize and direct all Authority activities;
- (b) to authorize expenditures within the designations and limitations of the budget approved by the governing board;
- (c) to make recommendations to and requests of the governing board concerning any matter which is to be performed, done or carried out by the governing board;

(d) to have the authority to appoint, discipline, assign and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and

(e) to have charge of, handle and have access to any property of the Authority.

15. Meetings. The Authority shall provide for regular and special meetings in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision.

16. Minutes. The clerk appointed by the governing body of the Authority shall cause to be kept minutes of all meetings of the governing board, and shall cause a copy of such minutes to be forwarded to each member of the governing board and to the chief administrative officer of each of the signatory agencies.

17. Powers and Functions.

(a) The Authority shall have no power to regulate land use or to engage in the retail sale of water.

(b) Subject to the limitations set forth in subsection (a), the Authority shall have any and all powers commonly held by the parties hereto necessary or appropriate to regulate groundwater within the boundaries of the Authority including, but not limited to, the following powers:

(i) Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the SASbCentral Basin;

- (ii) Facilitate any Conjunctive Use program the purpose of which is to maintain the Sustainable yields in the SASbCentral Basin consistent with the GMP;
 - (iii) Distribute water in exchange for ceasing or reducing groundwater extractions;
 - (iv) Spread, sink and inject water into the SASbCentral Basin;
 - (v) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority;
 - (vi) Study and plan ways and means to implement any or all of the foregoing powers.
- (c) For purposes of exercising the authority set forth in subsection (b), and subject to the limitations set forth in subsection (a), the Authority shall have the following corporate and political powers:
- (i) To sue and be sued in all actions and proceedings in all courts and tribunals.
 - (ii) To adopt a seal and alter it at its discretion.
 - (iii) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.

- (iv) To act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.
- (v) To cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.
- (vi) To require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the **SASbCentral Basin**.
- (vii) To make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.
- (viii) To carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.
- (ix) To fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.
- (x) To participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to

that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefitted by the resulting replenishment of the **SASbCentral Basin**.

(xi) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

18. Budgets. Within ninety (90) days after the first meeting of the governing board of the Authority, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 30), the governing board shall adopt a budget for the Authority for the ensuing fiscal year.

19. Adoption of the Central Sacramento County Groundwater Management Plan. Within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall consider for adoption the Central Sacramento County Groundwater Management Plan (CSCGMP) negotiated by the Central Sacramento County Groundwater Forum and dated February, 2006. The governing board of the Authority may revise the CSCGMP subsequent to its adoption as it deems appropriate.

20. Implementation of the Well Protection Program. In order to facilitate the implementation of the Well Protection Program described in the

Central Sacramento County Groundwater Management Plan, within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall submit to each of the entities who are signatories to this Agreement, and who have land use authority for areas within the boundaries of the Authority where new development will or may be served by groundwater, a draft Well Protection Plan ordinance to consider for adoption.

21. Termination. This Agreement shall remain in effect until terminated by one of the parties hereto pursuant to this section. This Agreement may be terminated by any of the parties hereto at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.

22. Disposition Of Authority Assets Upon Termination.

- (a) In the event of the termination of the Authority where there will be a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity.
- (b) If there is no successor public entity which will carry on the functions of the Authority and assume its assets, the assets shall be returned to the parties hereto in proportion to the contribution of each party during the term of this Agreement.
- (c) If there is a successor public entity which will carry on some of the functions of the Authority and assume some of its assets, the assets of the Authority shall be allocated by the governing board of the Authority between the successor public entity and the parties hereto.

23. **Liabilities.** The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the parties to this Agreement.

24. **Rules.** The governing board of the Authority may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

25. **Effective Date.** This agreement and the Authority created under it shall become effective when the governing bodies of all of the parties shall have authorized its execution.

26. **Amendments.** This Agreement may only be amended by the affirmative vote of the governing bodies of all of the parties hereto.

28. **Liberal Construction.** The provisions of this Agreement shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

29. **Liability of Board, Officers and Employees.**

(a) The members of the Board, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the parties to this Agreement for of any mistake of judgment or other action made, taken, or omitted by them in good faith, nor for any action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Authority's funds, or failure to invest the same.

(b) To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement.

(c) The funds of the Authority shall be used to defend, indemnify, and hold harmless the Authority and any member of the Board, officer, or employee of the Authority for actions taken in good faith and within the scope of his or her authority. Nothing herein shall limit the right of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

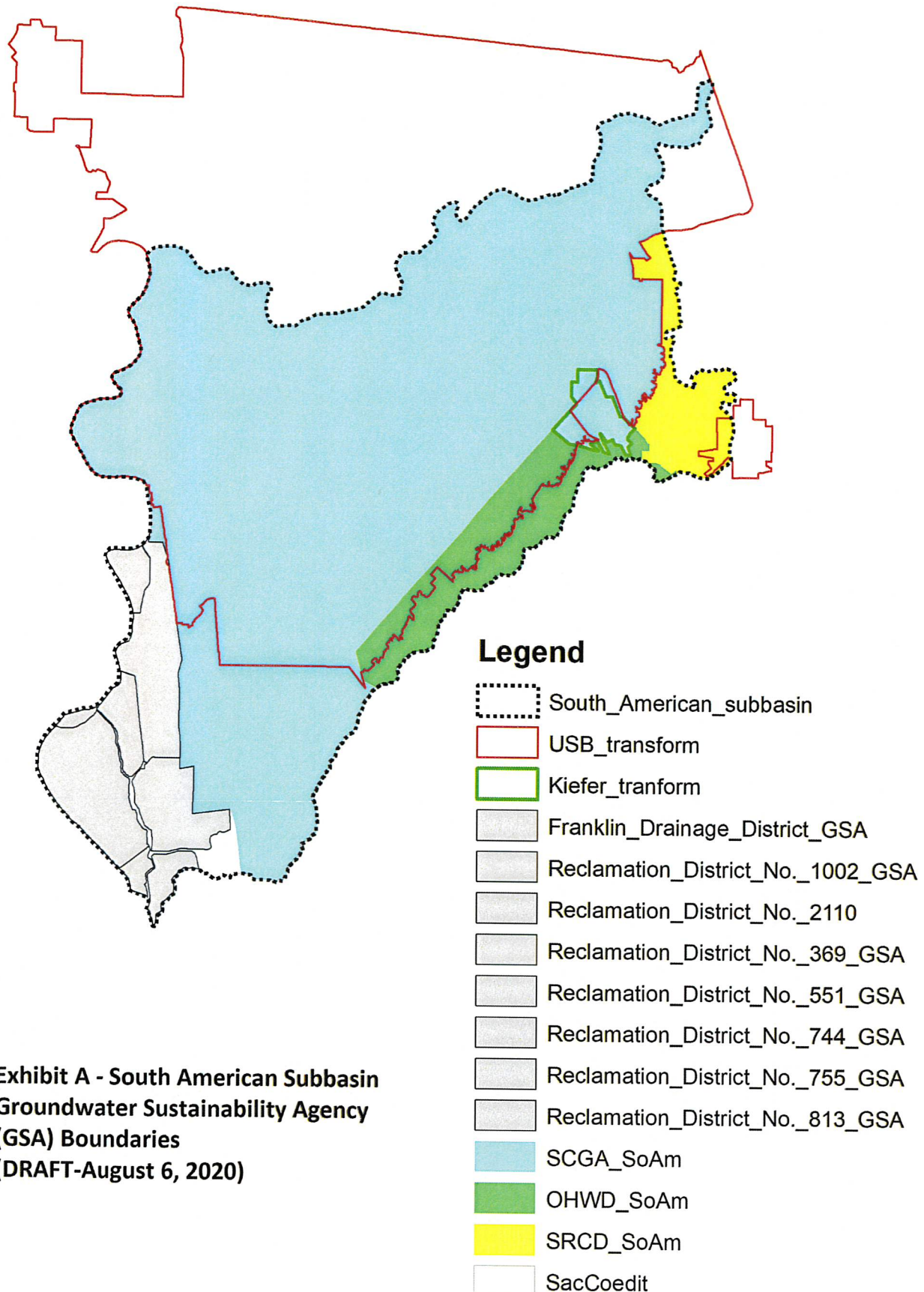
30. Notices. Any notices to the parties required by this Agreement shall be delivered or mailed, United States Mail first class, postage prepaid, addressed as follows:

[Insert Each Party's and Counsel's Name]

Notices given under this Agreement shall be deemed to have been received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties pursuant to this Section.

IN WITNESS WHEREOF, the parties hereto execute this Agreement on the date first written above.

[SIGNATURE PAGE FOR CITIES OF ELK GROVE, FOLSOM,
RANCHO CORDOVA, AND SACRAMENTO, AND COUNTY OF
SACRAMENTO]



MEMORANDUM



ITEM 9.3.

DATE: January 19, 2021
TO: Honorable Mayor and Council Members
FROM: Darcy Goulart, Planning Manager
SUBJECT: **SECOND READING OF AN ORDINANCE AMENDING SECTIONS OF THE RANCHO CORDOVA MUNICIPAL CODE RELATED TO TITLE 23 ZONING CODE**

RECOMMENDATION

Waive the second reading and adopt the Ordinance

RESULT OF RECOMMENDED ACTION

Approval of the Ordinance would amend Title 23 Zoning of the Rancho Cordova Municipal Code.

BACKGROUND

On January 4, 2021 the City Council waived the first reading and passed to a second reading for an Ordinance amending Title 23 Zoning of the Rancho Cordova Municipal Code. The amendments would permit Veterinary Facility in the OIMU zone upon approval of a use permit, expand the geographic area for the digital freeway sign overlay and clarify the definition of Veterinary Facility.

FISCAL IMPACT AND FUNDING SOURCE

There is no Fiscal Impact.

ATTACHMENT(S)

1. Ordinance
2. Exhibit A to the Ordinance - Municipal Code Amendments

CITY OF RANCHO CORDOVA

ORDINANCE NO. XX-2021

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA AMENDING TITLE 23 (ZONING CODE) ARTICLE 3 ZONING
DISTRICTS, ALLOWABLE USES AND GENERAL DEVELOPMENT STANDARDS, ARTICLE
7 SITE PLANNING AND DEVELOPMENT STANDARDS AND ARTICLE 11 GENERAL
DEFINITIONS, OF THE RANCHO CORDOVA MUNICIPAL CODE**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**Section 1. Purpose and Declarations.**

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

WHEREAS, certain amendments to the Title 23 (Zoning Code), Article 3, Article 7 and Article 11 are proposed to permit Veterinary Facility in the OIMU zone upon approval of a use permit, expand the geographic area for the digital freeway sign overlay and clarify the definition of Veterinary Facility; and

WHEREAS, on January 4, 2021 the City Council held a properly noticed public hearing for this Ordinance and considered all oral and written testimony.

Section 2: Findings. The City Council hereby finds:

- A. **CEQA Compliance.** CEQA requires analysis of agency approvals of discretionary “projects.” A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (CEQA Guidelines, § 15378.) As reflected in State CEQA Guideline 15061 (b) (3), an activity is not subject to CEQA, “[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment...” The proposed amendments are not a “project” within the meaning of CEQA because the amendments seek to further regulate or clarify uses that are already present in the City or provide consistency with State law and no significant expansion of these activities can reasonably be anticipated to occur. Because no expansion of uses or activities is reasonably anticipated, no possibility exists that the ordinance will result in a significant effect on the environment. Thus, the proposed ordinance is not subject to the requirements of CEQA. However, in the event that adoption of the ordinance is considered a CEQA project, it would nonetheless qualify for categorical exemptions as set forth below.

CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” The approval of the code amendments set forth in the proposed ordinance does not approve any physical development and it would not result in a direct or indirect physical changes in the environment. Any specific development projects that may result from these changes will be subject to environmental review. The proposed

amendments are consistent with the City's General Plan. For these reasons, the proposed amendments would not have the potential to result in individually or cumulatively significant effects on the environment and these Municipal Code amendments are exempt from review under CEQA and no further environmental review is necessary.

B. The proposed amendment is consistent with the General Plan. The attached Municipal Code Amendments ("Amendment") are consistent with the General Plan. The amendments would permit veterinary facility in the OIMU zone upon approval of a use permit, expand the geographic area for the digital freeway sign overlay and clarify the definition of veterinary facility. The amendments would not have any conflicts with existing General Plan goals and policies.

C. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City. The attached amendment is focused on reflecting best practices. None of these proposed amendments will be detrimental to the public interest, health, safety, convenience, or welfare of the City as they would permit veterinary facility in the OIMU zone upon approval of a use permit, expand the geographic area for the digital freeway sign overlay and clarify the definition of veterinary facility. The additional uses or signage would require discretionary permits that would undergo further environmental analysis.

D. The proposed amendments are internally consistent with other applicable provisions of this zoning code. The Amendments have been reviewed for consistency with the entirety of the Municipal Code and is consistent with other applicable provisions of the Municipal Code.

Section 3. Amendments to Title 23 Zoning Code

The City Council hereby adopts the amendments to Title 23 Zoning Code of the Rancho Cordova Municipal Code, as shown and incorporated in Exhibit A to this ordinance.

Section 4. Severability

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

Section 5. Effective Date

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

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 19th day of January, 2021 by the following vote:

ITEM 9.3.

ATTACHMENT 1

AYES:

NOES:

ABSENT:

ABSTAIN:

Garrett Gatewood, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

Rancho Cordova

Municipal Code Amendments

Title 23, Article 3

Chapter 23.313 MIXED-USE ZONING DISTRICTS

ITEM 9.3.**ATTACHMENT 2
Exhibit A to the Ordinance**

Note to Reader: Section placeholders to indicate the sections between changed subsections remain the same are indicated with three stars (*)**.

**Chapter 23.313
MIXED-USE ZONING DISTRICTS**

23.313.030 Allowed land uses and permit requirements.

Table 23.313-1 identifies allowed uses and corresponding permit requirements for the mixed-use districts subject to compliance with Chapter 23.304 RCMC (Land Use Classification) and all other provisions of this title. Descriptions/definitions of the land uses can be found in Article 11 of this title (Definitions). The specific use regulations column in the table identifies the specific chapter or section where additional regulations for that use type are located within this title.

Use regulations in the table are shown with a representative symbol by use classification listing: “P” symbolizes uses allowed by right, “AUP” symbolizes uses that require approval of an administrative use permit, “C” symbolizes uses that require approval of a conditional use permit, and “N” symbolizes uses that are not permitted.

Table 23.313-1: Allowed Use and Permit Requirements for Mixed-Use Districts

Land Use Category	RMU	CMU	OPMU	OIMU	LIBP	VC	LTC	RTC	Specific Use Regulations
Residential Uses									
Adult Day Care Home	P	N	N	N	N	N	N	N	
Caretaker Housing	P	P	P	P	P	P	P	P	RCMC 23.901.020
Dwelling, Multifamily	P ¹	P ^{1, 2}	P ^{1, 2}	N	N	P ¹	P ¹	P ¹	
Dwelling, Accessory Unit	P	N	N	N	N	N	N	N	RCMC 23.901.060
Dwelling, Single-Family	P ¹	P ^{1, 2}	P ^{1, 2}	N	N	P ¹	P ¹	P ¹	
Dwelling, Two-Family	P ¹	P ^{1, 2}	P ^{1, 2}	N	N	P ¹	P ¹	P ¹	
Emergency Shelter	C	C	C	C	N	N	N	N	
Family Day Care Home, Small	P	N	N	N	N	N	N	N	
Family Day Care Home, Large ¹⁷	AUP	N	N	N	N	N	N	N	RCMC 23.901.080
Group Residential	AUP	N	N	N	N	N	N	N	
Home Occupations	P	P	P	N	N	P	P	P	RCMC 23.901.030
Live-Work Facility	P ¹	P ¹	P ¹	N	N	P ¹	P ¹	P ¹	RCMC 23.901.040
Residential Care Home, Small	P	N	N	N	N	N	N	N	
Residential Care Home, Large ¹⁸	AUP	N	N	N	N	N	N	N	RCMC 23.901.090
Transitional Housing	P	N	N	N	N	N	N	N	

ITEM 9.3.

ATTACHMENT 2 Exhibit A to the Ordinance

Land Use Category	RMU	CMU	OPMU	OIMU	LIBP	VC	LTC	RTC	Specific Use Regulations
Agriculture, Resource, and Open Space Uses									
Beekeeping	N	N	N	N	N	N	N	N	Chapter 8.12 RCMC
Recreation, Education, and Public Assembly Uses									
Clubs, Lodges, and Private Meeting Halls	P	P	P	P	AUP	P	P	P	
Community Centers/Civic Uses	P	P	P	P	AUP	P	P	P	
Indoor Amusement/Entertainment Facility ^{32, 33}	AUP	P	P	P	AUP	AUP	P	P	
Indoor Fitness and Sports Facility ^{32, 33}	AUP	P	P	P	AUP	AUP	P	P	
Libraries and Museums	P	P	P	P	P	P	P	P	
Outdoor Commercial Recreation ^{32, 33}	N	C	N	N	P	C	C	C	
Parks and Public Plazas	P	P	P	P	C	P	P	P	
Public Safety Facility	P	P	P	P	P	P	P	P	
Religious Institutions	P	P	P	P	P	P	P	P	
Schools, Private and Special/Studios ³¹	P	P	P	P	C	P	P	P	
Schools, Public ³¹	P	P	P	P	P	P	P	P	
Theaters and Auditoriums ^{32, 33}	C	P	P	P	N	AUP	P	P	
Urban Agriculture									
Aquaculture	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	RCMC 23.904.030
Community Garden, Public	C	C	C	C	C	C	C	C	RCMC 23.904.030
Community Garden, Private	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	RCMC 23.904.030
Market Garden	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	p ²⁴	RCMC 23.904.030
Private Garden	P	P	P	P	P	P	P	P	RCMC 23.904.030
Urban Ag Stand	p ²⁵	p ²⁵	p ²⁵	p ²⁵	p ²⁵	p ²⁵	p ²⁵	p ²⁵	RCMC 23.904.030
Utility, Transportation, and Communication Use Listings									
Broadcasting and Recording Studios	N	P	P	P	P	N	N	N	
Bus and Transit Shelters	P	P	P	P	P	P	P	P	
Freight Yard/Truck Terminal	N	N	N	C	C	N	N	N	
Fuel Storage and Distribution	N	N	N	N	C	N	N	N	
Heliports	N	AUP	AUP	AUP	AUP	N	N	N	

ITEM 9.3.

ATTACHMENT 2 Exhibit A to the Ordinance

Land Use Category	RMU	CMU	OPMU	OIMU	LIBP	VC	LTC	RTC	Specific Use Regulations
Park and Ride Facility	C	P	P	P	P	C	C	P	
Parking Facility	AUP	P	P	P	P	AUP	P	P	
Telecommunication Facility	C	AUP/C ²¹	AUP/C ²¹	AUP/C ²¹	AUP/C ²¹	AUP/C ²¹	AUP/C ²¹	AUP/C ²¹	RCMC 23.907.020
Transit Facilities	N	N	N	C	P	N	N	N	
Transit Stations and Terminals	C	P	P	P	P	P	P	P	
Utility Facility and Infrastructure	AUP	AUP	AUP	AUP	AUP	AUP	AUP	AUP	RCMC 23.907.030
Retail, Service, and Office Uses²²									
Adult Day Care Facility	N	AUP	AUP	AUP	AUP	AUP	AUP	AUP	
Alcoholic Beverage Sales, Off-Site ¹⁶	N	C	C ²	C ²	C ²	C	C	C	
Ambulance Service	N	AUP	AUP	P	P	N	N	N	
Animal Sales and Grooming	AUP	P	N	N	N	P	P	P	
Art, Antique, Collectable	P ²	P	P ²	P ²	N	P	P	P	
Artisan Shops	AUP	P	P ²	P ²	P ²	P	P	P	
Banks and Financial Services	P ²	P	P	P	P	P	P	P	
Bars and Nightclubs ²³	C ³	C ³	C ^{2, 3}	C ^{2, 3}	C ^{2, 3}	C ³	C ³	C ³	
Bed and Breakfast Inns	P	P	N	N	N	N	N	N	
Brew Pub ²³	N	P	P ²	P ²	P ²	P	P	P	
Building Materials Stores and Yards	N	P ⁴	N	C ⁴	N	N	C ⁴	C ⁴	
Business Support Services	AUP ^{2, 4, 5}	P	P	P	AUP	P ⁵	P	P	
Call Centers	N	N	P	P	AUP	N	N	N	
Commercial Marijuana Uses	N	N	N	N	N	N	N	N	
Child Day Care Facility	P	AUP	AUP ²	AUP ²	AUP ²	P	C	C	
Consignment Store	N	P	N	N	N	N	AUP	N	
Convenience Stores	AUP ^{2, 26}	AUP ²⁶	AUP ^{2, 26}	AUP ^{2, 26}	AUP ^{2, 26}	AUP ²⁶	AUP ²⁶	AUP ²⁶	RCMC 23.910.020
Drive-In and Drive-Through Sales and Service	N	C ^{20, 21}	N	N	C ^{6, 20, 21}	C ^{20, 21}	C ^{20, 21}	C ^{20, 21}	RCMC 23.910.030
Equipment Sales and Rental	N	N	N	P	P	N	N	N	
Furniture, Furnishings, and Appliance Stores	N	P	N	N	N	N	C	P	
Garden Center/Plant Nursery	N	P	N	AUP	N	N	C	C	
Grocery Stores/Supermarkets	AUP ²	P	P ²	AUP ²	N	AUP ⁸	P	P	
Home Improvement	N	P ⁹	N	P	P	N	P ⁹	P ⁹	

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ATTACHMENT 2 Exhibit A to the Ordinance

Land Use Category	RMU	CMU	OPMU	OIMU	LIBP	VC	LTC	RTC	Specific Use Regulations
Supplies									
Hotels and Motels ^{32, 33}	C ²	P	P	C	N	C	P	P	
Hotels and Motels, Extended Stay ^{32, 33}	C ²	C	C	C	N	C	C	C	
Kennels, Commercial	C ^{2, 4}	N	N	N	AUP ⁴	N	N	N	
Maintenance and Repair, Small Equipment	N	P	N	P	P	AUP	P	P	
Medical Services, General	AUP ²	P	P	P	P	P	P	P	
Medical Services, Extended Care	P	C	C	C	N	N	N	N	
Medical Services, Hospitals	N	P	P	P	P	P	P	P	
Mortuaries and Funeral Homes ¹⁵	N	P	N	N	P ¹⁵	N	N	N	
Neighborhood Market	P ²	P	P ²	AUP ²	N	P	P	P	
Offices, Business and Professional	P ²	P ²	P	P	N	P ²	P ²	P ²	
Offices, Accessory	P	P	P	P	P	P	P	P	
Personal Services	P ^{2, 5}	P	P ²	P ²	P ²	P	P	P	
Residential Care Facility	AUP	C	C	N	N	N	N	N	
Restaurants	P ²	P	P ²	P ²	P ²	P	P	P	
Retail, Accessory	P ²	P	P ⁶	P ⁶	P ⁶	P	P	P	
Retail, General	P ^{2, 11}	P	N	N	N	P	P	P	
Retail, Warehouse Club	N	P	N	N	N	N	C	P	
Smokers' Lounge, Hookah Bar, E-Cigarette Lounge, and Vapor Lounge	N	N	N	N	N	N	N	N	RCMC 23.919.100
Tasting Room, Off-Site ²³	N	P	P ²	P ²	P ²	P	P	P	
Veterinary Facility	AUP ²	P	N	AUP	AUP	AUP	P	P	
Automobile and Vehicle Uses									
Auto and Vehicle Sales and Rental	N	P ¹⁹	N	N	P ¹⁹	N	N	N	RCMC 23.913.040
Auto and Vehicle Sales, Wholesale	N	N	N	C	P	N	N	N	
Auto and Vehicle Storage	N	N	N	C ¹²	P ¹²	N	N	N	
Auto Parts Sales	N	P ^{11, 12}	N	N	P ^{11, 12}	N	N	N	
Car Washing	N	C	C	C	C	N	C	C	RCMC 23.913.050
Detailing/Waterless Car Wash	N	AUP	AUP	AUP	N	N	N	N	
Service Stations	N	AUP	C	C	P	N	C	C	
Vehicle Services, Major	N	N	N	C ¹²	P ¹²	N	N	N	

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Land Use Category	RMU	CMU	OPMU	OIMU	LIBP	VC	LTC	RTC	Specific Use Regulations
Vehicle Services, Minor	N	AUP ^{12, 13}	N	AUP ¹²	P ¹²	N	N	N	
Industrial, Manufacturing, and Processing Uses									
Agricultural Products Processing	N	N	N	N	C	N	N	N	
Artisanal and Specialty Manufacture, Display, and Sales	N	P	P	P	P	P	P	P	
Brewery, Winery, Distillery	N	p ²⁹	p ²⁹	p ²⁹	p ²⁹	p ²⁹	p ²⁹	p ²⁹	
Manufacturing, Major	N	N	N	N	C ¹⁴	N	N	N	
Manufacturing, Minor	N	N	N	P	P	N	N	N	
Manufacturing, Small Scale	N	P	P	P	P	P	N	N	
Printing and Publishing	N	C	C	P	P	N	N	N	
Recycling Facility, Processing	N	N	N	N	C	N	N	N	
Recycling Facility, Scrap and Dismantling Facility	N	N	N	N	C	N	N	N	
Research and Development	N	N	P	P	P	N	N	N	
Storage, Personal Storage Facility	N	N	N	C ²⁷	p ²⁷	N	N	N	Chapter 23.915 RCMC
Storage, Warehouse	N	N	N	P	P	N	N	N	
Storage, Yards	N	N	N	p ¹⁴	p ¹⁴	N	N	N	Chapter 23.728 RCMC
Wholesaling and Distribution	N	N	N	p ¹⁴	p ¹⁴	N	N	N	
Special Regulated Uses									
Bingo Parlors	N	p ³⁰	p ³⁰	p ³⁰	N	N	N	N	Chapter 4.26 RCMC
Card Rooms	N	P	C	C	C	N	N	N	RCMC 23.919.020
Check Cashing Businesses	N	P	N	N	N	N	N	N	RCMC 23.919.030
Massage Parlors, Massage Establishments	N	p ²⁸	N	N	N	N	N	N	Chapter 4.33 RCMC
Pawnshops	N	P	N	N	N	N	N	N	RCMC 23.919.040
Recycling Facility, Collection Facility	N	C	C	C	P	C	C	C	RCMC 23.919.050
Sexually Oriented Businesses	N	N	N	N	P	N	N	N	RCMC 23.919.060
Smoke Shops	N	P	N	N	C	N	N	N	RCMC 23.919.070
Tattoo Parlors	N	P	N	N	N	N	N	N	RCMC 23.919.080
Thrift Stores	N	P	N	AUP	AUP	N	N	N	RCMC 23.919.090

Notes:

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ATTACHMENT 2 Exhibit A to the Ordinance

1. See the density restrictions in the underlying zoning district.
 2. This use is permitted or permitted with a use permit as specified only in conjunction with the predominant use of the mixed-use district. In other words, this use is only allowed as part of an integrated development and not as a standalone use. Other uses in the table are allowed as standalone uses.
 3. All forms of speaker amplification exterior to the building shall be prohibited unless authorized in combination with project approval or amendment thereto.
 4. All activities shall occur within a completely enclosed building or shall be located behind a solid/screened enclosure directly adjacent to the building.
 5. Maximum gross floor area is less than 5,000 square feet.
 6. Limited to a maximum of 25 percent of the gross floor area of the integrated development.
 7. Maximum tenant space shall be 25,000 square feet.
 8. Maximum tenant space shall be 50,000 square feet.
 9. Uses 25,000 square feet and over require a conditional use permit.
 10. Limited to less than 50 percent of the gross floor area of the integrated development.
 11. Maximum tenant space shall be 15,000 square feet.
 12. All activity and storage must be located within an enclosed structure.
 13. No portion of the use shall be located within 500 feet of an intersection.
 14. All activity must be entirely screened from public view and not within 500 feet of a residential use. The 500-foot separation from residential uses may be waived if the storage yard adheres to the standards in RCMC 23.728.030(C)(1).
 15. A crematory is prohibited in all zones with the exception of LIBP, where it is permitted in association with a mortuary or funeral home.
 16. Only establishments that sell alcoholic beverages for off-site consumption require a conditional use permit.
 17. See additional provisions in RCMC 23.901.080, Family day care (large).
 18. See additional provisions in RCMC 23.901.090, Residential care home (large).
 19. This use is not permitted if incidental to and not a primary part of the operation of the primary use. Rentals that are an integral part of a primary use are subject to the additional provisions of RCMC 23.913.040.
 20. Drive-throughs that are added to existing buildings may be processed with an AUP.
 21. Conditional use permit required if any portion of proposed facility is within 500 feet of a residential zoning district or existing residential use.
 22. All commercial activity, display and storage shall occur within a building or within a screen enclosure. A temporary use permit, administrative use permit, or conditional use permit may be obtained to deviate from this requirement.
 23. Uses which serve alcohol for on-site consumption and which have an "on-sale" license from the California Department of Alcoholic Beverage Control must be located at least 250 feet from any adult live theater at which live nude dancing is performed and which is subject to Section 143.3 of the California Code of Regulations.
 24. Private community gardens and market gardens are allowed in the city's mixed-use districts up to a maximum three acres in size and pursuant to applicable regulations in RCMC 23.904.030. Approval of an administrative use permit is required for said uses greater than three acres in size.
 25. On-site urban agriculture stands are allowed up to 120 square feet, on the site of an urban agricultural use consistent with applicable regulations in RCMC 23.904.030.
 26. See RCMC 23.910.020 (Convenience stores).
 27. See Chapter 23.915 RCMC (Storage, Personal Storage Facility Development Standards).
 28. Massage parlors and massage establishments must be located at least 1,000 feet from other massage parlors and massage establishments, as measured from the entrance of each establishment. This shall not apply to any home occupation massage business that is in full compliance with home occupation requirements in Chapter 23.901 RCMC.
 29. Over 20,000 square feet requires an administrative use permit.
 30. Bingo games and parlors are regulated by Chapter 4.26 RCMC. The city has a limit of no more than two bingo parlors in the city limits at any given time.
 31. Dormitories are permitted as an accessory use to a public or private school, subject to approval of a conditional use permit.
 32. On-site consumption of food is considered a permitted use if the related primary use is a permitted use.
 33. On-site consumption of alcohol, as an accessory use to a permitted use, requires approval of an administrative use permit.
- [Ord. 1-2020 § 3 (Exh. A); Ord. 5-2019 § 3 (Exh. A); Ord. 3-2019 § 5 (Exh. A); Ord. 17-2018 § 4 (Exh. A); Ord. 15-2018 § 4 (Exh. A); Ord. 4-2018 § 3 (Exh. A); Ord. 5-2017 § 3 (Exh. A); Ord. 4-2017 § 3 (Exh. B); Ord. 3-2017 § 3 (Exh. A); Ord. 1-2016 § 4; Ord. 15-2015 §§ 2, 3; Ord. 8-2015 § 4 (Exh. B); Ord. 12-2011 § 3 (Exh. A); Ord. 27-2008 § 1 (Exh. A § 2.5.030)].

Title 23, Article 7

Chapter 23.743

Signs

Note to Reader: Section placeholders to indicate the sections between changed subsections remain the same are indicated with three stars (*)**.

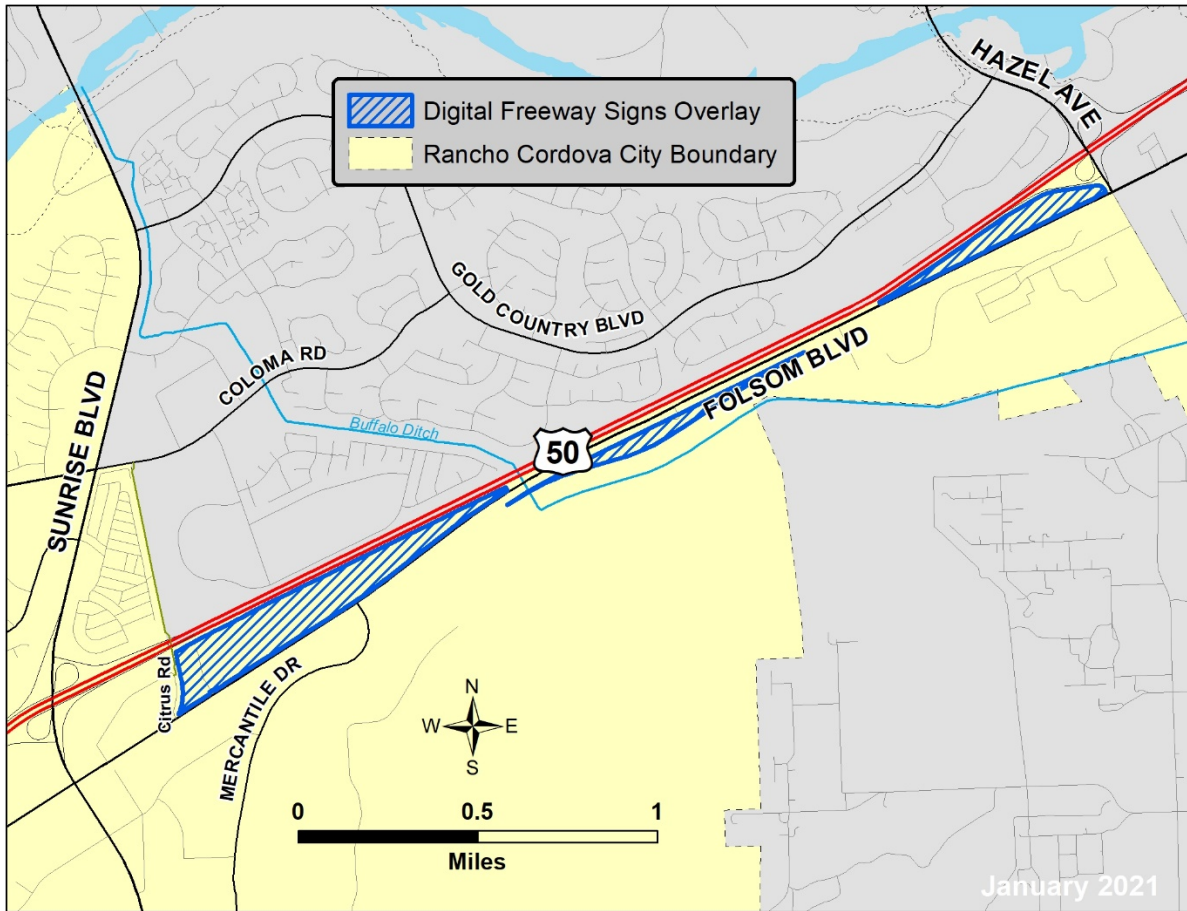
**CHAPTER 23.743
SIGNS**

23.743.150 Digital freeway signs overlay.

A. Purpose and Designation. The digital freeway signs overlay is hereby established to enable the consideration of digital freeway signs in certain, specific locations within the city. Digital freeway signs located within the overlay area that meet the development standards established below may be permitted through a conditional use permit. Digital freeway signs are only allowed as billboard relocations or as conversions of an existing billboard in place.

B. Location. The digital freeway signs overlay encompasses three specific geographies in the northeastern area of the city. As seen in Figure 23.743-4, the Sunrise Boulevard area is bound by Highway 50 on the north, Folsom Boulevard on the south, Citrus Road on the west, and the terminus of the industrially zoned parcels on the east. Also, as seen in Figure 23.743-4, the Hazel Avenue area is bound by Highway 50 on the north, Folsom Boulevard on the south, and Hazel Avenue on the east. The Mineshaft area is bound by Folsom Boulevard to the north, the Folsom South canal to the south, the western property boundary of the Mineshaft property to the west and the eastern property boundary of the Mineshaft property to the east. Digital freeway signs proposed outside of these three specific areas are prohibited.

Figure 23.743-4: Digital Freeway Signs Overlay Location



Title 23, Article 11

Chapter 23.1104 General Definitions

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ATTACHMENT 2 Exhibit A to the Ordinance

Note to Reader: Section placeholders to indicate the sections between changed subsections remain the same are indicated with three stars (*)**.

Chapter 23.1104 GENERAL DEFINITIONS

23.1104.040 Land use definitions.

“Veterinary facility” means a veterinary facility that is primarily enclosed, containing only enough cage arrangements as necessary to provide services for domestic and exotic animals requiring acute medical or surgical care with accessory outdoor use that provides long-term medical care. Grooming, boarding, and training of animals is allowed only if accessory to the facility use.

MEMORANDUM



ITEM 9.4.

DATE: January 19, 2021
TO: Honorable Mayor and Council Members
FROM: Maria Kniestedt, Communications and Public Affairs Director
SUBJECT: 2021 LEGISLATIVE PRIORITIES

RECOMMENDATION

Approve the City's 2021 Legislative Priorities.

RESULT OF RECOMMENDED ACTION

Staff will proceed with recommended direction and approval to finalize the city's 2021 legislative program. This includes producing the annual legislative brochure, which Council and staff use for meetings with legislators and key agencies.

BACKGROUND

There are two elements to the 2021 Legislative Priorities update:

1. Federal Funding Requests

Annually, the City has an opportunity to submit applications for federal and/or state funding. If appropriations opportunities exist for FY 2021, applications will be submitted through the offices of our elected representatives or appropriate federal agency in Washington, D.C., or through the appropriate state-level process.

In keeping with recommended practices in designing our requests, proposed projects need to be well developed, sharply focused, and resonate with benefits that are readily seen by an audience at the federal level. With this in mind, staff is recommending submission of the attached projects to the appropriate federal agencies, as well as elected officials. These projects have been vetted and further the City's goals of sustaining and improving transportation and connectivity, as well as providing a community where residents live, work, learn and play.

Attachment 1 includes the recommended projects.

2. 2021 Legislative Advocacy Platform

Managing federal funding requests is just one part of the City's legislative program. The program, founded on a set of policy guidelines that were first approved by the Council in 2007, also directs our advocacy efforts to support or oppose legislation that significantly impacts the city, or to work with legislators through our advocacy partners on amendments.

Attachment 2 shows the City's proposed 2021 Legislative Platform.

Summary of Changes from Prior Year Platform

The Legislative Advocacy Platform is viewed as a fluid statement of priorities that empowers the City's legislative team to make timely and impactful responses on matters of state and federal legislation and budget issues. The Legislative Team worked with each city department to review and revise language from the previous year. This year, city staff have two changes to the platform:

Add to the Brown Act

Add under "Support":

Legislation that explores the use of virtual meeting technology to provide additional opportunities for meeting participation.

Remove Under Housing

Remove under "Support":

~~State or federal legislation that provides capital advances that will serve supportive housing for very low income elderly or frail elderly (e.g., HUD Section 202 Program).~~

In the coming 2021 legislative session, we look forward to continuing to track and/or pursue the attached legislative priorities as strategic objectives to enable the city to ensure a continued quality of life for our residents.

FISCAL IMPACT AND FUNDING SOURCE

There is no Fiscal Impact.

ATTACHMENT(S)

1. FY 2021 Projects for Possible Federal Funding Opportunities
2. 2021 Legislative Advocacy Platform

2021 Projects for Possible Federal Funding Opportunities

Project	Description
White Rock Road Improvements, Sunrise Boulevard to city limits	Improve White Rock Road, from Sunrise Boulevard to Grant Line Road. This project will eliminate the two-lane bottleneck between the existing six-lane road at Sunrise Boulevard and Grant Line Road where Sacramento County has constructed additional lanes. White Rock Road has regional significance, as it will provide parallel relief capacity for US Highway 50. This will increase the goods movement capacity and allow for increased freight and commerce capacity both within and through the Sacramento area. Completed in coordination with Sacramento County's similar White Rock Road east of Grant Line Road, this project will greatly enhance the safety benefits of this regional asset. This project was identified as a priority project by the Highway 50 Mobility Partnership. The total project cost of \$35 million builds a four-lane arterial with median improvements. If funding for the total project cost is not immediately available, the construction can be phased. The City has programmed \$7.7 million in local developer transportation improvement fees and secured \$8.5 million in CMAQ and RSTP funds toward the total project and/or phased approach. The federal funding request is for \$18.5 million for completion from east of Rancho Cordova Parkway to the easterly city limits.
Zinfandel Bicycle and Pedestrian Improvements	This project will add bicycle and pedestrian improvements to the Zinfandel Boulevard overcrossing of US Highway 50. The project includes a grade separated multi-use path from White Rock Road that crosses under Gold Center Drive and both the US 50 eastbound onramp and westbound off-ramps. A protected intersection will be added at the Zinfandel Drive and Olson Drive intersection that will connect to a multi-use path from Olson Drive to the Zinfandel Light Rail Station. The city has received a \$3.3 million grant from the SACOG Regional Funding Program for the design phase of the pedestrian overcrossing. The total project cost is \$23 million. The federal funding is \$19.7 million for construction.
Sunrise Boulevard - Kiefer Boulevard to SR16	Widen Sunrise Boulevard from two to four lanes from Kiefer Boulevard to State Route 16 (Jackson Highway) and construct partial intersection improvements at Sunrise Boulevard and State Route 16. The project includes modifications to the bridge on Sunrise Boulevard over Laguna Creek. The total project cost of \$15.2 million would provide two additional lanes on Sunrise Boulevard from Kiefer Boulevard to State Route 16 (Jackson Highway). This section of Sunrise Boulevard is two lanes and at capacity. This project will include raising a portion of Sunrise Boulevard above a local flood plain. When this section of Sunrise Boulevard floods, it cuts off a critical connection to the southeast county. The City has secured \$6.5 million in local funds. The federal funding request is for \$8.7 million.
Douglas Road, Sunrise Blvd. to West City Boundary	This project will widen Douglas Road from two to four lanes from Sunrise Boulevard to the west city Boundary. Scope includes removing the existing bridge over the Folsom South Canal and replacing it with a six-lane bridge. This will be a complete streets project and will provide better access for bicycle and pedestrian mobility. This project

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ATTACHMENT 1

	will also provide relief to the congestion along Sunrise Boulevard. The federal funding request is for \$16.5 million.
Sunrise Blvd., Douglas Road to White Rock Road – Water Conservation	This project will provide for water conservation landscaping along Sunrise Boulevard from Douglas Road to White Rock Road. The enhancements include replacing much of the existing landscaping with native and drought-resistant plantings. The irrigation infrastructure will be replaced to conserve water and meet the requirements of State Assembly Bill 1881 (2006). The total project cost is \$2 million. The City has secured \$500,000 for this project. The federal funding request is for \$1.5 million.
Rancho Cordova Parkway Interchange Design	This project will construct a new interchange on US Highway 50 between Sunrise Boulevard and Hazel Avenue, and a six-lane road connecting south to White Rock Road. This project is part of a concerted, regional effort to improve overall mobility, create job opportunities and affordable housing, and spur economic development. The project accomplishes these goals by strengthening the connection between 65,000 jobs in the City of Rancho Cordova and surrounding communities. The project has full environmental approval, and the total cost is \$120 million. At this time, the city has secured \$1.5 million in local funds and is requesting federal funding of \$7.5 million for design.
Mills Crossing Civic Center	The Mills Crossing Civic Center (MCCC) is a public-private partnership to develop nearly 10 acres of city-owned land in a qualified opportunity zone that would provide a beautiful community space to gather, meet, play and experience arts in the city. This project is unique in that it is both an economic and community investment, a catalyst site, a community placemaking opportunity, and it leverages public-private investment, with \$35 million pledged by the city. Special elements of the project give it a unique momentum as it is located: in an opportunity zone; across from transit-oriented development/light rail station; next door to Folsom Lake College/Rancho Cordova Center; across from the Mills Station Arts & Culture Center; and blocks from the future Rancho Cordova Youth Center. The city is looking for potential funding opportunities that are focused on opportunity zones, transit-oriented development, arts and culture programming, and youth programming.
Senior Housing Assistance	The City's senior population is more vulnerable due to health and financial challenges than the rest of that same population in this county. Coupled with lower area median rents, we find that efforts to develop affordable rental options are not able to fund the cost gap that exists. Traditional Federal assistance to both rental development and modest income senior owner-occupied rehabilitation efforts is no longer supported. This city is particularly impacted as we have had no senior facilities developed since we became a city more than 17 years ago. Increased Federal participation in response to this growing senior need is encouraged.

2021 Legislative Advocacy Platform

The Statement of Priorities is adopted annually to authorize the city's active participation to influence federal and state decision-making on legislation and budget issues. It also guides city staff and contract lobbyists in pursuing federal or state funding, and/or to act upon legislative issues. Using this document as a guide, the city will take positions on specific legislation and amendments. The Mayor or appointed designee will sign legislative letters based on the city's identified interests; additionally, Council Members may be actively involved in advocacy efforts.

Priorities are stated broadly in order to provide the flexibility needed to respond in a timely way to the rapid changes inherent in the federal and state legislative process. This document will serve as a guide to assist staff in identifying specific issues that are important to the city and in determining city interest in specific legislation. These priorities will help city officials, staff, and contract lobbyists focus on key issues and funding areas when speaking to representatives. The legislative programs of Cal Cities, the National League of Cities, and other organizations may also influence city activities when there are common interests.

In addition, the city will evaluate legislation, pursue funding, and serve as a broker, facilitator, and catalyst to enhance the community, based on specific policy areas, such as transportation and infrastructure, economic development, planning, public safety, housing, and parks and recreation.

Generally, the City will evaluate legislation based on the following broad criteria:

- Protection of local revenues
- Protection/increase of local government discretion
- Protection/increase of funding for specific programs or services
- Support of key programmatic goals
- Prevention of unfunded mandates
- Consistency with existing City policy
- Direct impact upon the City and the region

Based on the above criteria, the following policy positions are recommended. Suggested additions or deletions from last year's platform are highlighted in yellow:

Brown Act/Elections Code/Political Reform Act/Public Records Act

Support:

- Legislation on administration of the Brown Act and the Public Records Act that provides additional opportunities to recover costs.
- Legislation that seeks to protect the City's ability to obtain confidential advice from legal counsel on items such as anticipated and pending litigation and real estate acquisition.
- Legislation that explores the use of virtual meeting technology to provide additional opportunities for meeting participation.

Oppose:

- Additional mandates in this policy area without full cost recovery.

- Legislation that would invade the attorney-client privilege and upset the balance between the public's right to know the conduct of its business and a city's need for privileged conversations with legal counsel.

Economic Development*Support:*

- Legislation, strategies, and policies that: attract, retain, and expand business; support job creation, retention, expansion, extended opportunity zones, and new redevelopment plans; maximize revenue opportunities; foster place making; and enhance community amenities. Legislation that promotes the state as an economically viable and strong destination for businesses to locate.

Oppose:

- Legislation that adversely impacts the ability of communities to attract and retain jobs.
- Legislation that creates competitive disadvantages for new and existing businesses.

Environment*Support:*

- Legislation that ensures local government representation and participation on state and federal environmental regulatory bodies.
- Legislation to standardize and streamline state and federal environmental regulations.
- Legislation that provides the City with the flexibility to enact environmental standards that are stricter than state or federal standards if the City so chooses.

Oppose:

- Legislation that, under the guise of environmental protection, restricts its land use authority.
- Legislation that deletes local government representation and participation on state and federal environmental regulatory bodies.

Housing*Support:*

- Legislation that provides needed resources and flexibility to local governments to produce housing that meets all socioeconomic needs and local demands.
- Legislation that supports and facilitates affordable housing production of special needs populations (e.g., veterans, homeless, seniors)
- Measures that would provide local governments with greater flexibility in the housing element process.
- Legislation that provides or enhances needed federal and state incentives that help facilitate the production and preservation of affordable housing units including, but not limited to, housing bond funds and tax credits, housing element self-certification, relief from prevailing wage requirements, and CEQA reform.

- ~~State or federal legislation that provides capital advances that will serve supportive housing for very low-income elderly or frail elderly (e.g. HUD Section 202 Program).~~
- Adequate and fair funding for the City and equitable distribution of housing dollars in the region.

Oppose:

- Legislation that eliminates opportunities for public review, project-level environmental review and restricts design review.
- Legislation that eliminates or weakens the low-income housing tax credit, the new markets tax credit, or Community Development Block Grants.

Local Control

Support:

- Legislation that enhances local control of resources and tools that allows the City Council to make decisions that address the needs of residents and businesses within the local jurisdiction they serve, as well as the broader interest of the region.

Oppose:

- Legislation that erodes local control, whether by state or federal legislation, or ballot propositions.
- Legislation that eliminates or weakens the low-income housing tax credit or the new markets tax credit.

Mandates

Support:

- Legislation that encourages the use of state and federal incentives for local government action rather than mandates.
- Legislation to enhance local government's ability to comply with state and federal mandates.
- Measures to provide funding for federal and state mandates.
- Measures to streamline the process by which local governments are reimbursed by the state for the cost of unfunded mandates.
- Future legislation that repeals previously unfunded mandates.

Oppose:

- Legislation that seeks to impose additional unfunded mandates on local governments that produce inequitable burdens and financial and other hardships.
- Measures that would further delay reimbursement for unfunded mandates.

Planning*Support:*

- Measures that seek to enhance the flexibility of local planning agencies to meet community needs, strengthen local land-use policies and provide community enhancement.
- Legislation to resolve ambiguous or unworkable planning and environmental statutes so that local agencies have clear direction from the federal and state governments.
- Legislation that provides technical and financial support for streamlining Endangered Species Act and Clean Water Act permitting programs.

Oppose:

- Legislation to impose additional mandatory and arbitrary reviews by non-local agencies of local planning documents.

Public Safety*Support:*

- Legislation and measures to enhance public safety by providing additional funding for local agencies in their efforts to safeguard the public, increase the quality of life, reduce or prevent crime, educate citizens, and build community partnerships.
- Legislation that provides local law enforcement with additional tools to protect the public and prevent crime.
- Measures that establish task forces, which unite multiple public safety resources in an effort to combat criminal acts, which extend beyond the jurisdictional borders.
- Legislation to assist local law enforcement in its role as “first responders” to natural and man-made disasters.

Oppose:

- Legislation that limits the public safety policy tools available to local governments to deal with local conditions.
- Measures to reduce subventions and grant programs for public safety.
- Legislation that will limit or restrict public safety professionals from the efficient performance of their duties or that limits the law enforcement tools available to local public safety professionals.
- Legislation that provides local enforcement with additional tools to protect the public from substandard housing and dangerous structures.

Revenue Protection*Support:*

- Measures that give local government greater stability and independence in the state-local fiscal relationship, including full, constitutional protection of all local government revenues.
- Legislation that provides additional opportunities for local governments to be financially self-sufficient and oppose legislation that erodes the fiscal independence of local governments.

- Legislation that will enhance the state's fiscal stability and minimize the impact to local governments of state budget deficits.

Oppose:

- Legislation that would give the state or federal government greater control over local revenue sources or in any way reduces or diminishes City authority over local revenues.
- Legislation that would result in the permanent loss of City revenues unless it is part of a broader local government revenue protection package.
- Legislation that further exacerbates the state's long-term budget imbalance and further exposes local governments to the effects of state budget deficits.

Telecommunications and Cable Franchises

Support:

- Legislation that maintains local control over public rights-of-way; protects local revenues used for essential local services, including public safety; guarantees access to, and funding for, public, educational and government access television.
- Legislation that ensures that the public is appropriately compensated by telecommunications providers that use the public's rights-of-way.

Oppose:

- Any legislation that does not adhere to the principles above.

Transportation and Infrastructure

Support:

- Additional funding for local transportation and other critical unmet infrastructure needs.
- Adequate and fair funding for the City and equitable distribution of transportation dollars within the SACOG region.

Oppose:

- Legislation that would reduce the ability of growing communities to address transportation and infrastructure needs with adequate funding (from diversified sources) and with as much flexibility as possible.
- Legislation that would in any way unduly restrict the City's ability to ensure that necessary public improvements are completed as part of new subdivisions.

MEMORANDUM

ITEM 10.1.

DATE: January 19, 2021

TO: Honorable Mayor and Council Members

FROM: June Cowles, Senior Planner

**SUBJECT: A RESOLUTION TO APPROVE 3501 RECYCLE ROAD TENTATIVE PARCEL MAP;
PROJECT DD10023**



PROPERTY OWNER: VMZ Development LLC 3440 Recycle Road Rancho Cordova, CA 95742	APPLICANT/DEVELOPER: Vachayan Zakaryan 3440 Recycle Road Rancho Cordova, CA 95742
--	---

PROJECT: 3501 Recycle Road Tentative Parcel Map FILE: DD10023 LOCATION: 3501 Recycle Road APN: 072-0570-038-0000 PLANNER: June Cowles, Senior Planner
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RECOMMENDATION

Adopt the Resolution.

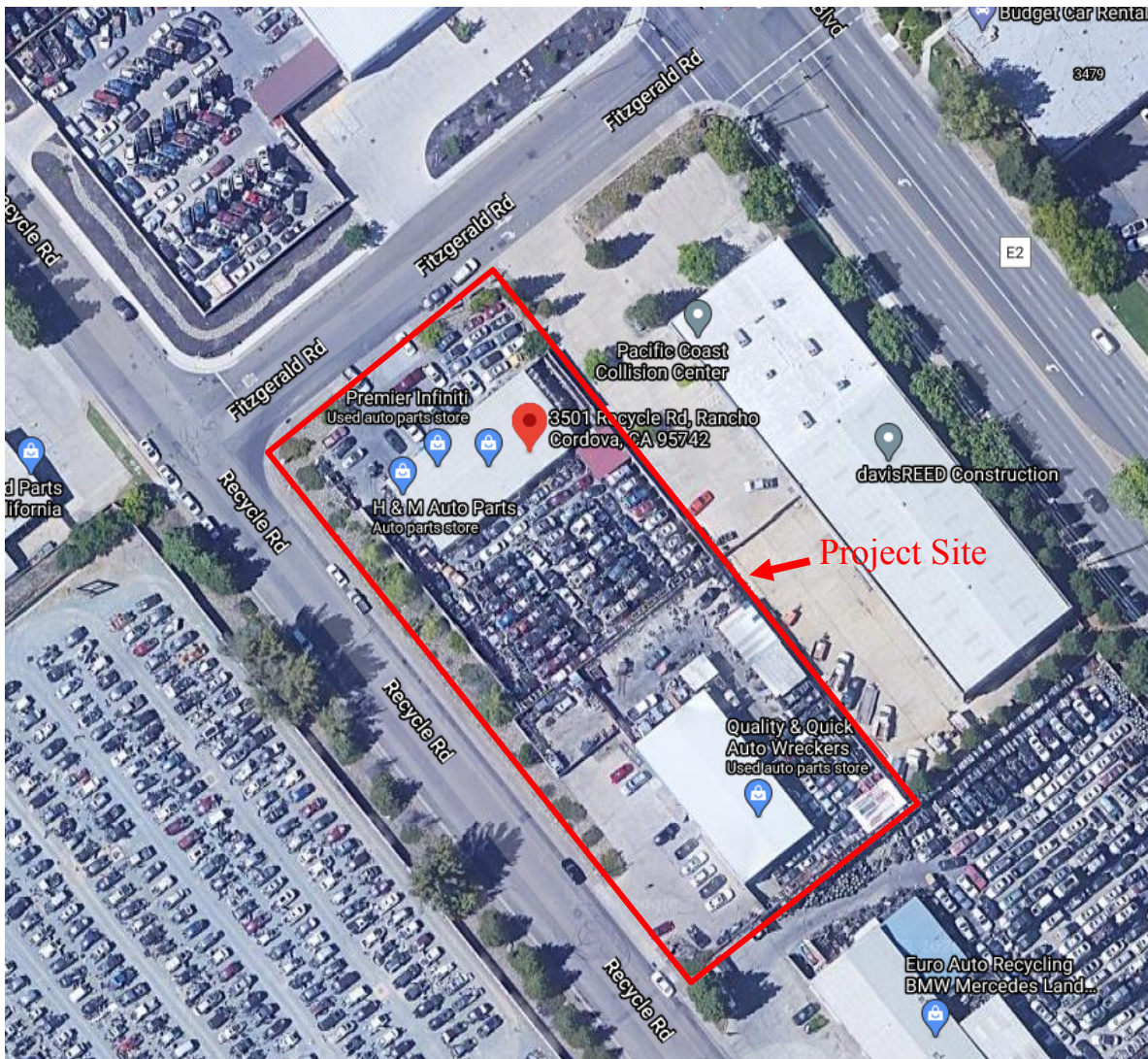
RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would approve the Applicant's request to subdivide an existing 1.46+/- acre parcel into two separate parcels. This would allow for the sale, lease, or financing of the two individual buildings that are currently located on-site.

BACKGROUND

The project is zoned M-2 (Heavy Industrial/Manufacturing) and is located at 3501 Recycle Road within the South Sunrise Special Planning Area (SSSPA) **Figure 1: Project Site Location**. The property includes two existing dismantler businesses with separate dismantling yards, parking, access, and buildings. The buildings were built in 1992 and are approximately 5,000 square foot each.

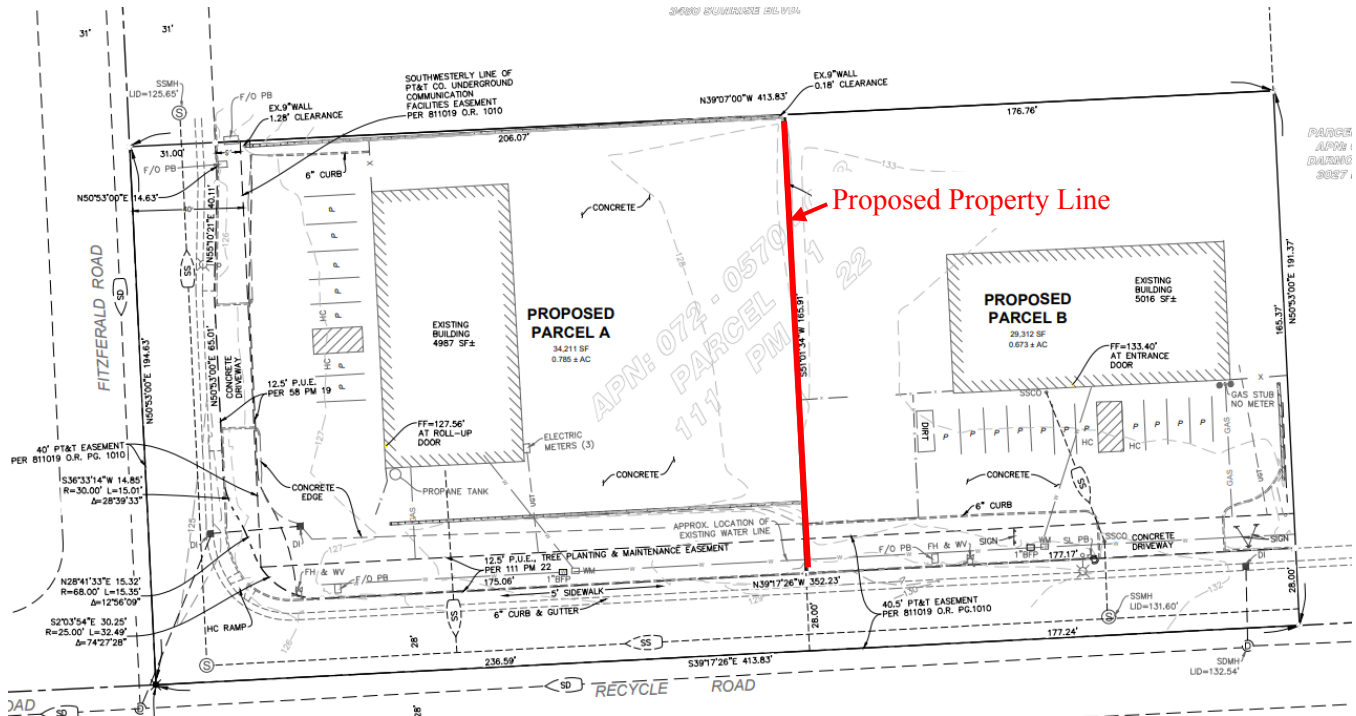
Figure 1: Project Site Location



PROJECT DESCRIPTION

The applicant is requesting to split the existing 1.46 +/- acre parcel into two separate parcels each with existing buildings on-site. Parcel A would be 0.785 +/- acres and Parcel B would be 0.673 +/- acres (**See Figure 2: Proposed Parcel Subdivision**). No physical on-site modifications are proposed with this map.

Figure 2: Proposed Parcel Subdivision



REQUIRED PERMITS AND REGULATORY BASIS

According to the State Subdivision Map Act and Municipal Code, a commercial parcel may be subdivided into multiple separate lots with a Parcel Map, guided by the following provisions:

1. Subdivision Map Act
2. RCMC Title 22, Land Development, provides the local authority under the Subdivision Map Act to subdivide land.
3. RCMC Title 23, Zoning

ANALYSIS

The proposed Tentative Parcel Map is to divide an existing 1.46+/- acre parcel into two separate parcels. This application is only for the division of the lot and no physical improvements or changes in use are proposed at this time.

General Plan: The project site is in the Sunrise Boulevard South Planning Area (SBSPA) designation of the City's General Plan. The SBSPA includes various commercial and industrial uses, including an existing cluster of auto dismantling and recycling west of Sunrise and home improvement and building material uses east of Sunrise. Target uses for this area are industrial, office mixed-use, and commercial mixed-use. The project property currently includes two dismantlers on-site which is consistent with these target uses and the existing cluster of auto

dismantling west of Sunrise. This Tentative Parcel Map will not affect the existing uses and will only divide the property into two separate parcels.

Zoning Code: The project site is zoned M-2 (Heavy Industrial/Manufacturing) which is consistent with the General Plan SBSPA. The purpose of this zone is to provide an appropriate area for intensive industrial uses that may be undesirable and incompatible near residential uses or mixed-use districts. The existing dismantling uses are allowed within this zone.

Table 1: Surrounding Designations and Existing Uses

Location	Existing Use	General Plan Designation	Zoning Designation
3501 Recycle Road (Project Site)	Auto Dismantling	Sunrise Boulevard South Planning Area (SBSPA)	M-2 (Heavy Industrial/Manufacturing) South Sunrise Special Planning Area (SSSPA)
North	Auto Dismantling	Sunrise Boulevard South Planning Area (SBSPA)	M-2 (Heavy Industrial/Manufacturing) South Sunrise Special Planning Area (SSSPA)
East	Auto Body Shop and Construction Contractor	Sunrise Boulevard South Planning Area (SBSPA)	M-2 (Heavy Industrial/Manufacturing) South Sunrise Special Planning Area (SSSPA)
South	Auto Dismantling	Sunrise Boulevard South Planning Area (SBSPA)	M-2 (Heavy Industrial/Manufacturing) South Sunrise Special Planning Area (SSSPA)
West	Auto Dismantling	Sunrise Boulevard South Planning Area (SBSPA)	M-2 (Heavy Industrial/Manufacturing) South Sunrise Special Planning Area (SSSPA)

Title 22 - Land Development: Title 22 of the City of Rancho Cordova Municipal Code regulates land division and is intended to supplement and implement the Subdivision Map Act. The proposed project, as conditioned, is consistent with requirements and procedures of a tentative parcel map application.

FINDINGS & EVIDENCE

Section 66474 of the California Subdivision Map Act requires a City to deny approval of a tentative map, if any of the following findings are found to be true. In the case of the proposed map, none of the required findings were found to be true. The following evidence supports the map request:

1. Finding: That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451.

Evidence: The proposed project is consistent with the General Plan and the land use designation specified for this parcel. The property includes two existing dismantler

businesses with separate dismantling yards, parking, access, and buildings that are approximately 5,000 square foot each. These uses will not be affected by the proposed parcel split. No physical modifications are proposed with this parcel map. Both lots are consistent with the current zoning, South Sunrise Special Planning Area, and General Plan.

2. Finding: That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.

Evidence: The proposed Tentative Parcel Map is consistent with the existing development standards of the General Plan designation of Sunrise Boulevard South Planning Area and the zoning development standards of the M-2 (Heavy Industrial) zone. The resulting parcels will continue to be consistent with building setbacks and height within the zoning development standards.

3. Finding: That the site is not physically suitable for the type of development.

Evidence: The site is physically suitable to subdivide. The existing parcel is developed and is proposed to be split into two separate parcels. Each parcel will have its own building, parking, storage yard, and access.

4. Finding: That the site is not physically suitable for the proposed density of development.

Evidence: The project does not propose any physical modifications to the property or changes in use, therefore the density as well as intensity of the property will remain the same.

5. Finding: That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

Evidence: The proposed project does not involve any physical improvements or changes in use at this time. The site is currently occupied by two Auto Dismantling businesses and no environmental resources will be affected by this lot division. The proposed project is exempt from further environmental review pursuant to Section 15315 (Minor Land Division) of the California Environmental Quality Act (CEQA).

6. Finding: That the design of the subdivision or the type of improvements is likely to cause serious public health problems.

Evidence: The proposed Tentative Parcel Map will not cause any serious health problems. The property is already developed as heavy industrial with two existing dismantler businesses with separate dismantling yards, parking, access, and buildings that are approximately 5,000 square foot each. No areas on-site will be disturbed as part of this parcel map.

7. Finding: That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision. In this connection, the legislative body may approve a

map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public.

Evidence: The proposed parcels both have adequate access to public right of way. The property is already developed as heavy industrial with two existing dismantler businesses with separate dismantling yards, parking, access, and buildings that are approximately 5,000 square foot each. No additional easements are required.

FISCAL IMPACT

The City anticipates that this project will result in additional revenues created from the potential sale of the new parcels and through taxes collected for each new parcel.

ENVIRONMENTAL

The applicant is requesting the division of an existing property that is fully developed with existing buildings and businesses. No physical improvements or changes of the existing uses are proposed with this submittal. The project is exempt under Section 15315 "Minor Land Division". The Tentative Parcel Map consists of the division of property in an urbanized area zoned industrial into four or fewer parcels, in this case two parcels, and is consistent with all General Plan, Zoning, and local development standards.

RECOMMENDED MOTIONS

Staff recommends that the City Council find the project to be in compliance with the California Environmental Quality Act (CEQA) per section per CEQA exemption 15315 and adopt the Resolution approving the Tentative Parcel Map for 3501 Recycle Road, DD10023, subject to the findings, Tentative Parcel Map (Exhibit A) and Conditions of Approval (Exhibit B).

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - Tentative Parcel Map
3. Exhibit B to the Resolution - Conditions of Approval
4. 500' Radius Map and Labels.

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2021

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING THE 3501 RECYCLE ROAD TENTATIVE PARCEL MAP,
PROJECT NO. DD10023**

WHEREAS, Vachayan Zakaryan (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova for a Tentative Parcel Map lot split for an existing property at 3501 Recycle Road (Assessor's Parcel Number: 072-0570-038-0000); and

WHEREAS, the existing property is zoned M-2 (Heavy Industrial) within the South Sunrise Special Planning Area (SSSPA); and

WHEREAS, the property is approximately 1.46+/- acres in size and currently has 2 auto dismantlers with existing buildings on-site; and

WHEREAS, the Applicant is requesting to split this property into Parcel A, 0.785+/- acres and Parcel B, 0.673+/- acres. Each proposed parcel includes a building, dismantling yard, parking, and access; and

WHEREAS, the lot split does not involve any physical improvements or change in use of the property; and

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize that the Council approves the 3501 Recycle Road Tentative Parcel Map (Exhibit A), subject to the following findings and attached Conditions of Approval (Exhibit B):

- A. Finds the project is exempt under Section 15315 "Minor Land Division". The Tentative Parcel Map consists of the division of property in an urbanized area zoned industrial into four or fewer parcels, in this case two parcels, and is consistent with all General Plan, Zoning, and local development standards. There are no physical improvements or changes of the existing uses proposed with this submittal.
- B. Section 66474 of the California Subdivision Map Act requires a City to deny approval of a tentative map, if any of the findings are found to be true. In the case of the proposed map, none of the required findings were found to be true. The following evidence supports the map request:
 1. Finding: That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451.

Evidence: The proposed project is consistent with the General Plan and the land use designation specified for this parcel. There are existing building and uses on the property that are consistent with current zoning and the South Sunrise Special Planning Area. These uses will not be affected by the proposed parcel split. No physical modifications are proposed with this parcel map.

2. Finding: That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.

Evidence: The proposed Tentative Parcel Map is consistent with the existing development standards of the General Plan designation of Sunrise Boulevard South Planning Area and the zoning development standards of the M-2 (Heavy Industrial) zone. The resulting parcels will continue to be consistent with applicable general and specific plans.

3. Finding: That the site is not physically suitable for the type of development.

Evidence: The site is physically suitable to subdivide. The existing parcel is developed and is proposed to be split into two separate parcels. Each parcel will have its own building, parking, storage yard, and access.

4. Finding: That the site is not physically suitable for the proposed density of development.

Evidence: The project does not propose any physical modifications to the property or changes in use, therefore the density as well as intensity of the property will remain the same.

5. Finding: That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

Evidence: The proposed project does not involve any physical improvements or changes in use at this time. The site is currently occupied by two Auto Dismantling businesses and no environmental resources will be affected by this lot division. The proposed project is exempt from further environmental review pursuant to Section 15315 (Minor Land Division) of the California Environmental Quality Act (CEQA).

6. Finding: That the design of the subdivision or the type of improvements is likely to cause serious public health problems.

Evidence: The proposed Tentative Parcel Map will not cause any serious health problems. The property is already developed as heavy industrial and no areas on-site will be disturbed as part of this parcel map.

7. Finding: That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision. In this connection, the legislative body may approve a map if it finds that alternate easements, for access or for use, will

ITEM 10.1.

ATTACHMENT 1

be provided, and that these will be substantially equivalent to ones previously acquired by the public.

Evidence: The proposed parcels both have adequate access to public right of way. No additional easements are required.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 19th day of January, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Garrett Gatewood, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

EXISTING USE:
HEAVY INDUSTRIAL

PROPOSED USE:
HEAVY INDUSTRIAL

PROPOSED IMPROVEMENTS:
AS REQUIRED BY THE DEPARTMENT OF PUBLIC WORKS

EXISTING ZONING:
M-2 HEAVY INDUSTRIAL

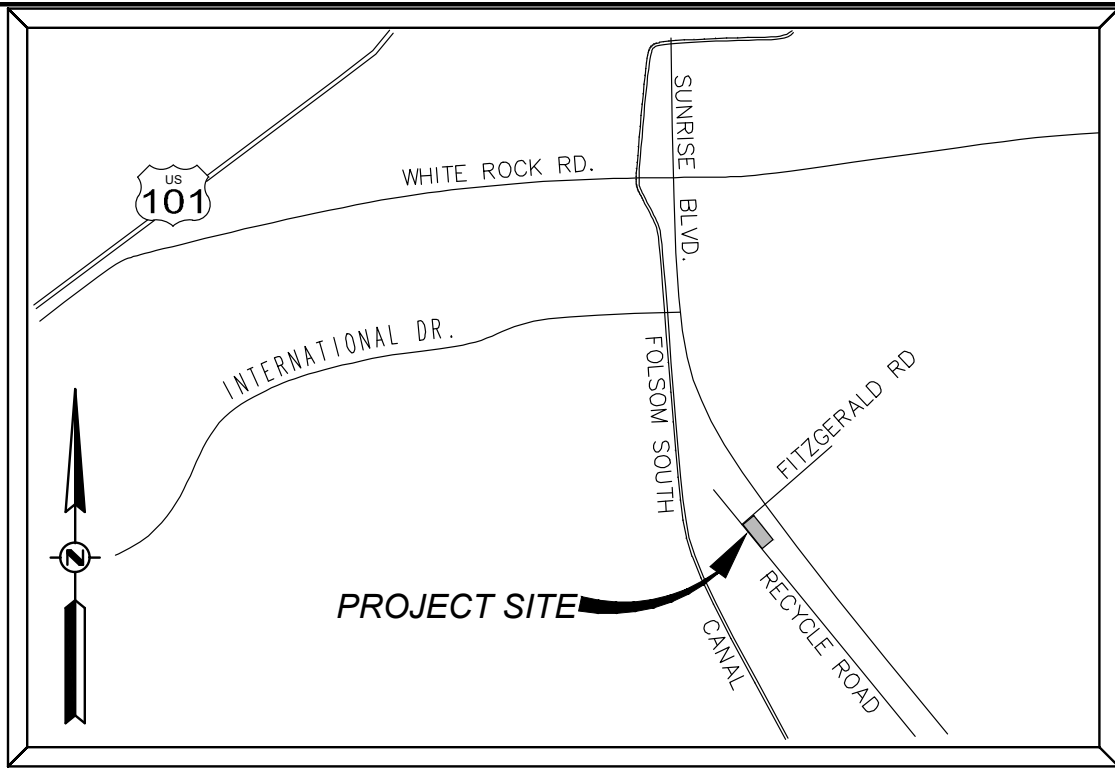
GENERAL PLAN:
M-2 HEAVY INDUSTRIAL

OWNER:
CECO PROPERTIES LLC
930 GLEN DR. #130
FOLSOM, CA. 95630

TENTATIVE PARCEL MAP PARCEL 1 OF 111-PM-22

3501 RECYCLE ROAD
CITY OF RANCHO CORDOVA
SACRAMENTO COUNTY, CALIFORNIA 95742
NOVEMBER, 2020

PARCEL 2 111-PM 22
APN: 072-0570-039
HOSMIR LLC
3480 SUNRISE BLVD.



VICINITY MAP
NOT TO SCALE

LEGEND

- BOUNDARY LINE
- RIGHT-OF-WAY LINE
- EASEMENT
- FENCE
- EXISTING BLOCK WALL
- FOUND MONUMENT
- DIMENSION POINT - NOTHING FOUND OR SET.
- STORM DRAIN MANHOLE
- SEWER MANHOLE
- STORM DRAIN DRAIN INLET
- SEWER SYSTEM CLEAN-OUT
- WATER VALVE
- WM WATER METER
- BFP BLOW-OFF PREVENTION VALVE
- FIRE HYDRANT
- SIGN
- BOLLARD
- STREET LIGHT
- ELECTRICAL PULL BOX
- HC HANDICAP PARKING
- HANDICAP WALK AREA
- P PARKING STALL

ABBREVIATIONS:

- FH FIRE HYDRANT
- SDMH STORM DRAIN MANHOLE
- DI STORM DRAIN DROP INLET
- SSCO SANITARY SEWER CLEANOUT
- WV WATER VALVE
- F/O FIBER OPTIC
- SF SQUARE FEET
- SL STREET LIGHT
- PB PULL BOX
- UGT UNDERGROUND GAS & TELEPHONE

ENGINEER & SURVEYOR

RFE ENGINEERING, INC.
2260 DOUGLAS BLVD., SUITE 160
ROSEVILLE, CA 95661
PH: (916) 772-7800

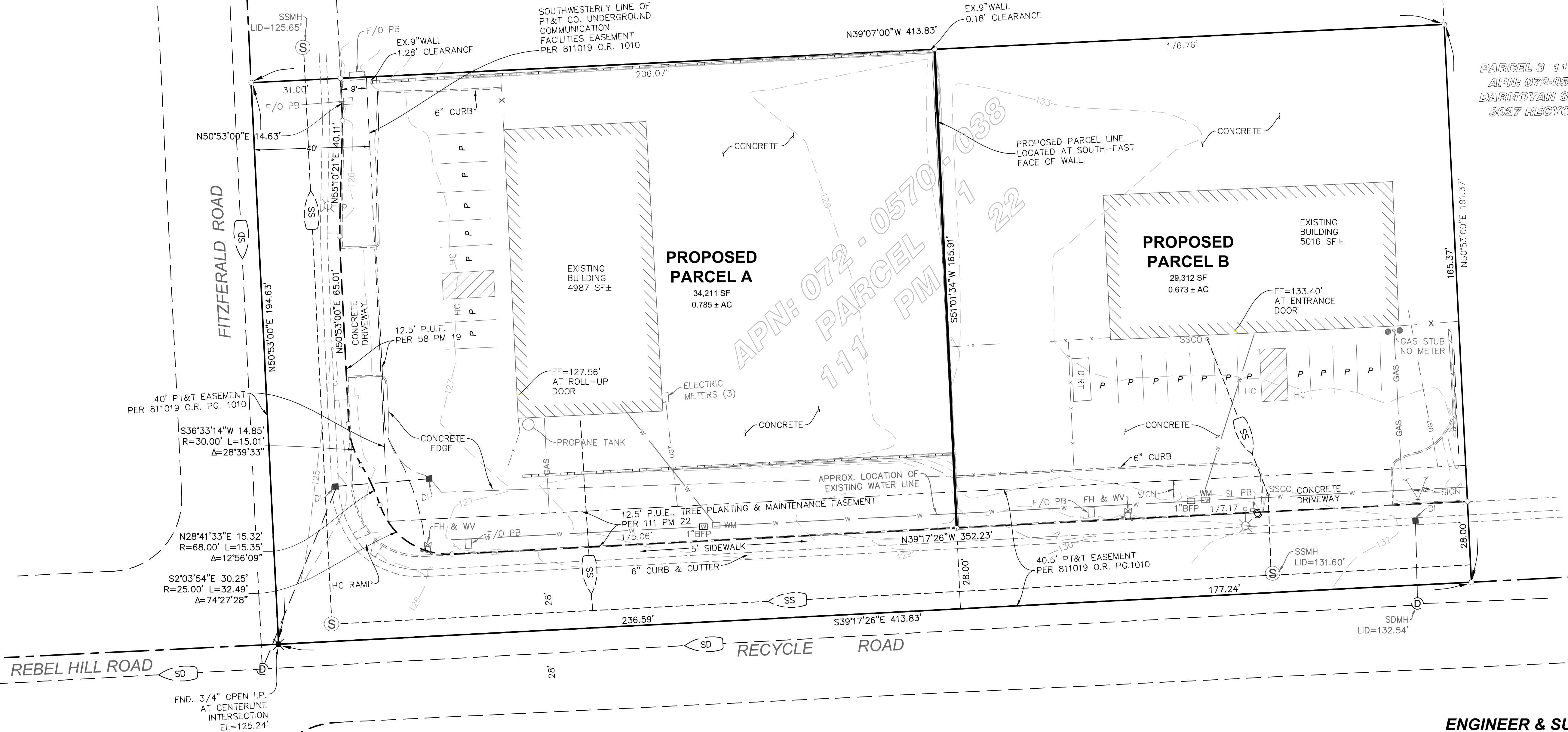
BENCHMARK:

RAMSET & 7/8" METAL DISC STAMPED "CO. B.M. 1B-90" LOCATED IN TOP BACK VERTICAL CURB & GUTTER OVER DI @ THE EAST END OF CURB RETURN @ SOUTHEAST CORNER OF FITZGERALD RD. & SUNRISE BLVD.

ELEVATION: 126.20 NAVD 88

DATE OF SURVEY:

OCTOBER 10, 2020



NUMBER OF LOTS:

EXISTING - ONE (1) INDUSTRIAL LOT
PROPOSED - TWO (2) INDUSTRIAL LOTS

LOT SIZE:

PARCEL 1 - GROSS	80,282 SF 1.843 AC
NET	63,523 SF 1.458 AC
PROPOSED	
PARCEL A - GROSS	46,008 SF 1.056 AC
NET	34,211 SF 0.785 AC
PARCEL B - GROSS	34,274 SF 0.787 AC
NET	29,312 SF 0.673 AC

FEMA FLOOD ZONE:

THIS AREA IS IN ZONE X, AREA OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREA OF LESS THAN ONE SQUARE MILE. PER FEMA FLOOD MAP 06067C0209H DATED 08/16/2012

SEWER:

SACRAMENTO SEWER DISTRICT

DRAINAGE:

CITY OF RANCHO CORDOVA

FIRE PROTECTION:

SACRAMENTO METROPOLITAN FIRE DISTRICT

SCHOOL DISTRICT:

FOLSOM-CORDOVA UNIFIED

PARK DISTRICT:

CORDOVA RECREATION & PARK DISTRICT

WATER SUPPLY:

COUNTY OF SACRAMENTO

ASSESSOR'S PARCEL NUMBER:

072-0570-038

UNDERGROUND UTILITY NOTE:

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN SHOWN FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.

CECO PROPERTIES LLC
950 GLEN DR. #130
FOLSOM, CA. 95630

3501 RECYCLE ROAD
APN: 072-0570-038
RANCHO CORDOVA, CALIFORNIA
TENTATIVE PARCEL MAP

Drawing	Sheet
of	TPM-1
of	Total
	1
	11/05/2020

ITEM 10.1.
Conditions of Approval

ATTACHMENT 3
Exhibit B to the Resolution

		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement / Monitoring</u>	<u>Verification (date & Signature)</u>
General Conditions					
1.	The approved entitlement is for a Tentative Parcel Map, to subdivide one (1) parcel (APN 072-0570-038-0000) into two separate parcels as described in the City Council staff report dated January 19, 2021 and Tentative Parcel Map (<u>Exhibit A</u>) with the conditions herein, for project number DD10023.	Project Description	On-Going	Planning	
2.	The Applicant shall hold harmless the City, its Council Members, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.	General	On-Going	Planning	
3.	Any future alteration to the buildings, change in use, intensification of the site, or modification to the parking and landscaped area must be reviewed by the City to ensure compliance with all local, state, and federal regulations. Minor modifications that are found to be in substantial conformance with the approved plans such as colors, plant materials, or minor lot line adjustments, may be approved administratively. Major modifications shall be approved by the applicable decision-making body.	General	On-Going	Planning/ Building /Public Works	
4.	Applicant/Developer shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityofranchocordova.org for the status of your account with the City.	General	On-Going	Finance	
5.	The Tentative Parcel Map approval is valid for three years from the date of City Council approval, unless an extension of time is subsequently approved per Government Code Section 66452.6(e),	Expiration Date	Three years, commencing with the date of	Planning/ Public Works	

ITEM 10.1.
Conditions of Approval

ATTACHMENT 3
Exhibit B to the Resolution

		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement / Monitoring</u>	<u>Verification (date & Signature)</u>
	unless extended by the terms of a Development Agreement.		approval		
6.	- SMUD has existing underground 12kV facilities on the Project Site that will need to remain. The Applicant shall be responsible for maintaining all CalOSHA and State of California Public Utilities Commission General Order No. 128 safety clearances during construction and upon building completion. If the required clearances cannot be maintained, the Applicant shall be responsible for the cost of relocation. - Any necessary future SMUD facilities located on the Applicant's property shall require a dedicated SMUD easement. This will be determined prior to SMUD performing work on the Applicant's property. - In the event the Applicant requires the relocation or removal of existing SMUD facilities on or adjacent to the subject property, the Applicant shall coordinate with SMUD. The Applicant shall be responsible for the cost of relocation or removal. - SMUD reserves the right to use any portion of its easements on or adjacent to the subject property that it reasonably needs and shall not be responsible for any damages to the developed property within said easement that unreasonably interferes with those needs. - The Applicant shall not place any building foundations within 5-feet of any SMUD trench to maintain adequate trench integrity. The Applicant shall verify specific clearance requirements for other utilities (e.g., Gas, Telephone, etc.). - In the event the City requires an Irrevocable Offer of Dedication (IOD) for future roadway improvements, the Applicant shall dedicate a 12.5-foot public utility easement (PUE) for overhead and/or underground facilities and	Existing Electrical Facilities and Requirements	On-Going	SMUD	

ITEM 10.1.
Conditions of Approval

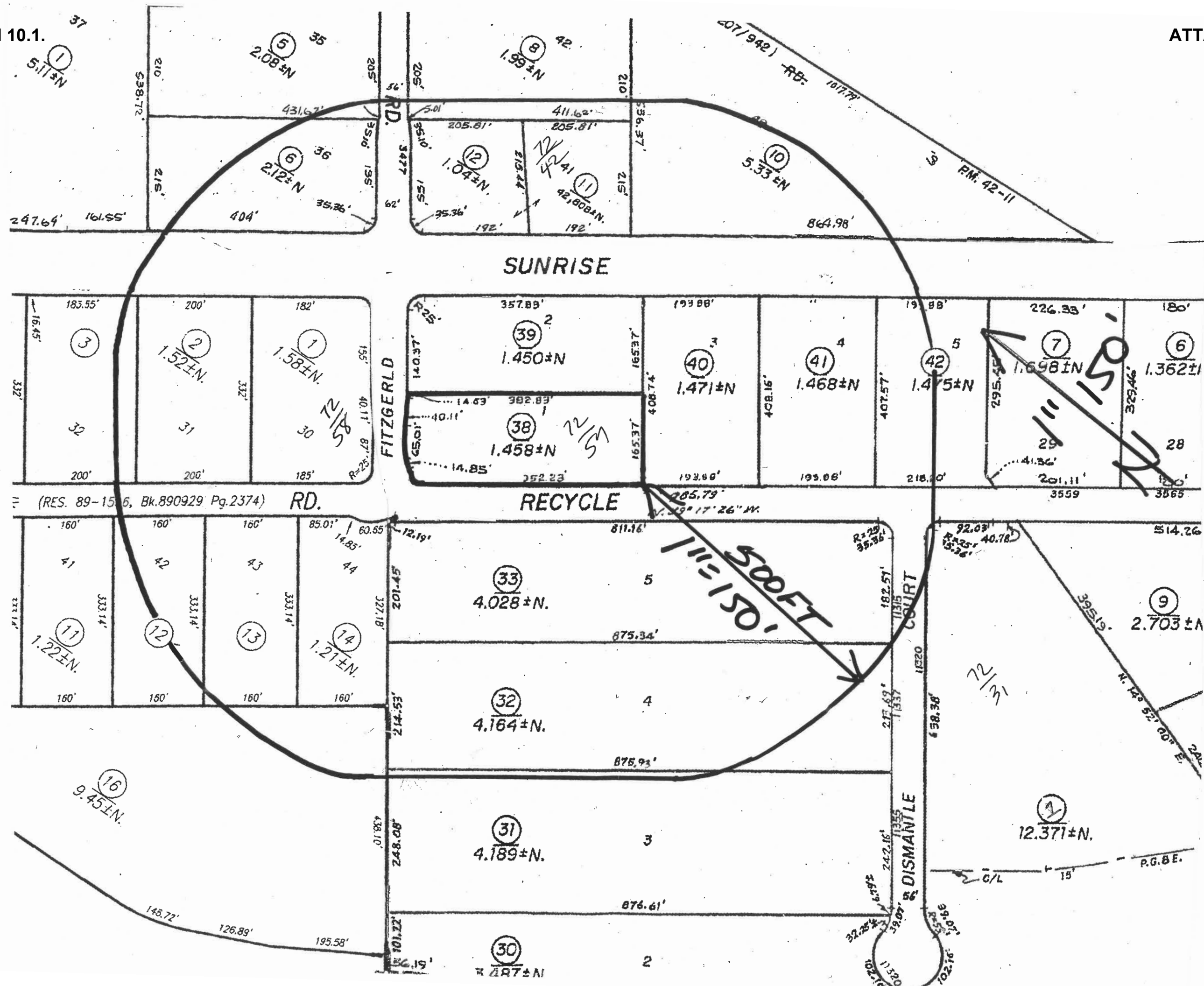
ATTACHMENT 3
Exhibit B to the Resolution

		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement / Monitoring</u>	<u>Verification (date & Signature)</u>
	appurtenances adjacent to the City's IOD. - The Applicant shall comply with SMUD siting requirements (e.g., panel size/location, clearances from SMUD equipment, transformer location, service conductors). Information regarding SMUD siting requirements can be found at: https://www.smud.org/en/Business-Solutions-and-Rebates/Design-andConstruction-Services. - The Applicant shall provide separate SMUD service points to each parcel to the satisfaction of SMUD. - The Applicant shall dedicate a 12.5-foot public utility easement for overhead and/or underground facilities and appurtenances adjacent to all public street rights-of-ways. - The Applicant shall dedicate and provide all-weather vehicular access for service vehicles that are up to 26,000 pounds. At a minimum: (a) the drivable surface shall be 20-feet wide; and (b) all SMUD underground equipment and appurtenances shall be within 15-feet from the drivable surface				
7.	SASD requires each building on each lot with a sewage source to have a separate connection to SASD's sewer system. If there is more than one building in any single parcel and the parcel is not proposed for split, then each building on that parcel must have a separate connection to a private onsite sewer line or a separate connection to the SASD public sewer line.	Sewer	On-Going	SASD	
8.	Show the design for a fire access roadway of not less than 20-feet of unobstructed width, 13-feet, 6-inches of vertical clearance, and turning radii of 25 feet inside and 50 feet outside dimension on the improvement plans. The access roadway shall extend to within 150 feet of all portions of the exterior walls of the first story of any proposed building. <i>The use of turf-block or Grass-Crete or similar alternate road surfaces is not approved for installation in fire apparatus access roadways.</i>	Fire	On-Going	Sacramento Metro Fire District	

ITEM 10.1.
Conditions of Approval

ATTACHMENT 3
Exhibit B to the Resolution

		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement / Monitoring</u>	<u>Verification (date & Signature)</u>
9.	The existing parcel is subject to localized flooding and any new construction shall meet the requirements of the City of Rancho Cordova Floodplain Management Ordinance. This requirement will also apply to the parcels resulting from the lot split.	Future Construction Requirements	On-Going	Public Works	
10.	Future site improvements that require a building permit will trigger a requirement for the repair or replacement of substandard or damaged sidewalk, curbs, gutters, driveways and ADA sidewalk ramp along the property frontage to the satisfaction of the Public Works Department. An encroachment permit will be required to accomplish this work. This requirement will apply to the parcels resulting from the lot split.	Future Construction Requirements	On-Going	Public Works	
Prior to Recordation of the Parcel Map					
11.	Indicate existing storm drain lateral sizes on tentative map	Storm Drain	Prior to Recordation of the Parcel Map	Public Works	
12.	Show the design for an approved fire apparatus turnaround. The fire apparatus turnaround shall conform to Sacramento Metro Fire Districts, Fire Prevention Standard #3. The fire access turn-around shall be located within 50 feet of the end of the access roadway.	Fire Access	Prior to Recordation of the Parcel Map	Sacramento Metro Fire District	



072-0570-038
VMZ DEV LLC
3440 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0570-038
OCCUPANT
3501 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0570-038
OCCUPANT
3513 RECYCLE RD STE B
RANCHO CORDOVA CA 95742

072-0570-038
OCCUPANT
3513 RECYCLE RD STE A
RANCHO CORDOVA CA 95742

072-0420-005,006
K-B SUNRISE PARTNERSHIP
150 W HUFFAKER LN #103
RENO NV 89511

072-0420-005
OCCUPANT
3419 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0420-006
OCCUPANT
3445 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0420-006
OCCUPANT
3459 SUNRISE BLVD STE 1
RANCHO CORDOVA CA 95742

072-0420-006
OCCUPANT
3459 SUNRISE BLVD STE 2
RANCHO CORDOVA CA 95742

072-0420-006
OCCUPANT
3459 SUNRISE BLVD STE 3
RANCHO CORDOVA CA 95742

072-0420-008
JEROME M/MARY JOYCE JOHNSON
15451 PALOS VERDES
MONTE SERENO CA 95030

072-0420-008
OCCUPANT
3469 FITZGERALD RD
RANCHO CORDOVA CA 95742

072-0420-010
CAPITAL INVESTMENT TRUST
7110 DOUGLAS BLVD
GRANITE BAY CA 95746

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 1
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 2
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 3
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 4
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 5
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 6
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 7
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 8
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 9
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 10
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 11
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 12
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 13
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 14
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3501 SUNRISE BLVD STE 15
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 18
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 19
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 20
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 23
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 26
RANCHO CORDOVA CA 95742

072-0420-011,012
LANGDON FAMILY TRUST
PO BOX 70
SHINGLE SPRINGS CA 95682

072-0570-031-033
PULL & SAVE DEVELOPMENT
PO BOX 2128
FAIR OAKS CA 95628

072-0570-032
OCCUPANT
11337 DISMANTLE CT
RANCHO CORDOVA CA 95742

072-0570-039
HOSMIR LLC
11113 GRAETON CIR
MATHER CA 95655

072-0570-039
OCCUPANT
3480 SUNRISE BLVD STE 200
RANCHO CORDOVA CA 95742

072-0570-040
SEREZHA DARMOYAN
3527 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0570-041
OCCUPANT
3539 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 21
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 24
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3531 SUNRISE BLVD STE 29
RANCHO CORDOVA CA 95742

072-0420-011
OCCUPANT
3479 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0570-031
OCCUPANT
11315 DISMANTLE CT
RANCHO CORDOVA CA 95742

072-0570-033
OCCUPANT
11355 DISMANTLE CT STE 1
RANCHO CORDOVA CA 95742

072-0570-039
OCCUPANT
3480 SUNRISE BLVD STE 2
RANCHO CORDOVA CA 95742

072-0570-039
OCCUPANT
3480 SUNRISE BLVD STE 250
RANCHO CORDOVA CA 95742

072-0570-040
OCCUPANT
3527 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0570-042
KARREN MIRZOYAN
11194 FRASCATI CT
RANCHO CORDOVA CA 95670

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 22
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3515 SUNRISE BLVD STE 25
RANCHO CORDOVA CA 95742

072-0420-010
OCCUPANT
3531 SUNRISE BLVD STE 32
RANCHO CORDOVA CA 95742

072-0420-012
OCCUPANT
3479 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0570-031
OCCUPANT
11315 DISMANTLE CT STE 2
RANCHO CORDOVA CA 95742

072-0570-033
OCCUPANT
11355 DISMANTLE CT STE 2
RANCHO CORDOVA CA 95742

072-0570-039
OCCUPANT
3480 SUNRISE BLVD STE 100
RANCHO CORDOVA CA 95742

072-0570-039
OCCUPANT
3480 SUNRISE BLVD STE 201
RANCHO CORDOVA CA 95742

072-0570-041
DANIEL P CASTRO
3539 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0570-042
OCCUPANT
3551 RECYCLE RD STE 2
RANCHO CORDOVA CA 95742

072-0570-042
OCCUPANT
3551 RECYCLE RD STE 1
RANCHO CORDOVA CA 95742

072-0580-002,003
AMERICAN RIVER DEV CORP(JULIE
DESILVA)
10398 ROCKINGHAM DR #13
SACRAMENTO CA 95827

072-0580-003
OCCUPANT
3430 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0580-011
OCCUPANT
3450 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0580-014
OCCUPANT
3486 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0580-016
CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DR
RANCHO CORDOVA CA 95670

072-3100-001
OCCUPANT
3554 RECYCLE RD
RANCHO CORDOVA CA 95742

072-0580-001
3500 FITZGERALD ROAD LLC
PO BOX 1657
RANCHO CORDOVA CA 95741

072-0580-002
OCCUPANT
3450 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0580-003
OCCUPANT
3440 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0580-012,014
DARIN D MOORE
PO BOX 1657
RANCHO CORDOVA CA 95741

072-0580-013
NANCY C/THOMAS W HOLTZMAN
PO BOX 1657
RANCHO CORDOVA CA 95741

072-0580-016
OCCUPANT
NONE
RANCHO CORDOVA CA 95742

072-0580-001
OCCUPANT
3500 FITZGERALD RD
RANCHO CORDOVA CA 95742

072-0580-002
OCCUPANT
3460 SUNRISE BLVD
RANCHO CORDOVA CA 95742

072-0580-011
SA COMMERCIAL PROPERTIES INC
4499 NIOBE CIR
RANCHO CORDOVA CA 95742

072-0580-012
OCCUPANT
NONE
RANCHO CORDOVA CA 95742

072-0580-013
OCCUPANT
NONE
RANCHO CORDOVA CA 95742

072-3100-001
CECO PROPERTIES LLC
950 GLENN DR #130
FOLSOM CA 95630

ITEM 10.1.

SACRAMENTO SANITATION DISTRICT
10060 GOETHE ROAD
SACRAMENTO CA 95827

PG&E
2730 GATEWAY OAKS DRIVE
SACRAMENTO CA 95833

SMUD
6301 S STREET MS B304
SACRAMENTO CA 95817

FOLSOM CORDOVA UNIFIED SCHOOL
DISTRICT
1965 BIRKMNT DRIVE
RANCHO CORDOVA CA 95742

SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT
10060 GOETHE ROAD
SACRAMENTO CA 95827

PG&E
343 SACRAMENTO STREET
AUBURN CA 95603

SMUD
6301 S STREET MS B404
SACRAMENTO CA 95817

SACRAMENTO COUNTY WATER
AGENCY
827 7TH STREET RM 301
SACRAMENTO CA 95814

ATTACHMENT 4

SACRAMENTO COUNTY WATER
AGENCY
10151 FLORIN ROAD
SACRAMENTO CA 95829

SMUD
6301 S STREET MS B304
SACRAMENTO CA 95817

SACRAMENTO METROPOLITAN FIRE
10545 ARMSTRONG AVE STE 310
MATHER CA 95655

CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DR
RANCHO CORDOVA CA 95670

MEMORANDUM

ITEM 11.1.

DATE: January 19, 2021

TO: Honorable Mayor and Council Members

FROM: Nicholas Sosa, Associate Planner



SUBJECT: A RESOLUTION TO APPROVE AN ADMINISTRATIVE USE PERMIT (AUP),
CONDITIONAL USE PERMIT (CUP) AND LETTER OF PUBLIC
CONVENIENCE AND NECESSITY (PCN); PROJECT NO. DD10007 – ROYAL
C STORE – LOCATED AT 3336 MATHER FIELD ROAD WITHIN
ROCKINGHAM PLAZA

PROPERTY OWNER:	APPLICANT/DEVELOPER:
495 22 nd Associates LLC	S & G Incorporated (DBA) Royal C Store
10018 Fair Oaks Boulevard	Sunmeet Ghuman
Fair Oaks, CA 95628	3336 Mather Field Road
	Rancho Cordova, CA 95670

PROJECT:	The Applicant is requesting an Administrative Use Permit (AUP), Conditional Use Permit (CUP) and Letter of Public Convenience and Necessity (PCN) to convert an existing smoke shop into a convenience store with off-site alcohol sales include beer, wine, and spirits.
FILE:	DD10007
LOCATION:	3336 Mather Field Road within Rockingham Plaza
APN:	077-0400-003-0000
PLANNER:	Nicholas Sosa, Associate Planner

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would allow for a convenience store with off-site sales of beer, wine, and spirits to be located at 3336 Mather Field Rd within Rockingham Plaza and allow the applicant to submit for the necessary business license with the Finance Department as well as the necessary requirements with the Department of Alcoholic Beverage Control.

BACKGROUND

The subject property is located within the Rockingham Plaza Shopping Center and is zoned Commercial Mixed Use (CMU). The current business at this location is a 2,200 square foot cigarette, tobacco, and retail smoke shop. This business is owned by the Applicant and is

allowed by right within the CMU zone. See **Figure 1** for site location and **Figure 2** for existing conditions.

PROPOSED PROJECT DESCRIPTION

The applicant is requesting to convert their existing smoke shop into a convenience store with off-site alcohol sales. The convenience store would sell beer and wine as well as spirits. The use of a convenience store within a CMU zone requires the approval of an Administrative Use Permit and the off-site sale of alcohol requires the approval of a Conditional Use Permit.

The Applicant has also applied for a Type 21 off-sale general license with the Department of Alcoholic Beverage Control (ABC) which allows for the off-sale of beer, wine, and distilled spirits. After submitting the application for the license, the Applicant was informed that the request would require a Letter of Public Convenience and Necessity from the local jurisdiction due to the current overconcentration of licenses in their census tract.

Figure 1: Project Site Location



Figure 2: Existing Conditions



REQUIRED PERMITS AND REGULATORY BASIS

Per Table 23.313-1 of the City of Rancho Cordova Zoning Code an Administrative Use Permit is required for the use of a Convenience Store within a Commercial Mixed Use (CMU) Zone. Also per that same table, a Conditional Use Permit is required for the off-site sale of alcohol. Due to the requirements of the Department of Alcoholic Beverages Control, a Letter of Public Convenience and Necessity is also required from the City in order for the Applicant's application to be processed. The City of Rancho Cordova's Zoning Code establishes the processes for acquiring these three items and the findings to support each request.

Permits Required after Approval

- Applicable ABC License (Type 21)

ANALYSIS

General Plan Compliance:

The project site is located within the Countryside/Lincoln Village Planning Area of the Rancho Cordova General Plan. This Planning Area is almost entirely developed and consists of primarily residential with some areas of commercial. The intention of the CMU designation along Mather Field Road and Rockingham Drive is to expanded development opportunities for existing low density commercial and office sites. The conversion of the smoke shop to a convenience store maintains the overall commercial use of the shopping center while also increasing product inventory from primarily tobacco products to a convenience store that will also provide grocery.

Zoning Compliance:

The project site is zoned Commercial Mixed Use (CMU) which is intended to designate property for vibrant commercial and mixed-use development. The overall site is a commercial shopping center and the conversation of the existing smoke shop to a convenience store would maintain a commercial use at this location. See **Table 1** for surrounding uses.

Table 1: Surrounding Designations and Existing Uses

Location	Existing Use	General Plan Designation	Zoning Designation
3336 Mather Field Rd.	Smoke Shop	Countryside/Lincoln Village Planning Area (CS/LVPA)	Commercial Mixed Use (CMU)
North	Restaurant	Countryside/Lincoln Village Planning Area (CS/LVPA)	Commercial Mixed Use (CMU)
East	Multi-Family Apartments	Countryside/Lincoln Village Planning Area (CS/LVPA)	Residential (RD-30)
South	Mather Sports Complex	Open Space (OS)	Mather Field Special Planning Area (MFSPA)
West	Overall Rockingham Shopping Center	Countryside/Lincoln Village Planning Area (CS/LVPA)	Commercial Mixed Use (CMU)

Administrative Use Permit:

An administrative use permit (AUP) is required for a convenience store use within the Commercial Mixed Use (CMU) zoning district per Table 23.313-1 of the Rancho Cordova Zoning Code. Typically, the approval authority for an AUP is the Director however, since the proposed project also requires a Conditional Use Permit (CUP), the approval authority of the highest-level permit must be adhered to. In this case, the City Council is now the approving authority.

Per zoning code section 23.910.020, convenience stores are required to adhere to additional design and operational standards for increased security and safety for employees. These additional requirements have been included as part of the Conditions of Approval. Additional standards include:

1. **Outdoor Lighting** – Minimum lighting requirements for areas such as parking surfaces, walkways, alcoves, passageways, etc. Also all light fixtures must be vandal-resistant.
2. **Litter Removal** – Management shall be responsible for removal of litter resulting from this project.
3. **Security Plan** – Project shall incorporate a variety of security measures that provided safety for employees and patrons of the convenience store.
4. **Windows** – No more than 15% of the window area can be covered with signage.
5. **Security Systems** – Convenience stores are held to a higher security requirement which includes additional employee training, displayed video cameras, and a layout that promotes clear visibility from front windows. Specifics on these security measures can be seen in the Conditions of Approval.

As required by zoning code section 23.125.070, the approval authority shall approve or approve with conditions an application for an AUP if the application meets the following findings:

- a) **Finding:** The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this zoning code, municipal code, General Plan, and any applicable Specific Plans or city regulations/standards.

Evidence: The proposed convenience store is meeting all applicable standards and requirements of section 23.910.020 of the Rancho Cordova Zoning Code which provides specific development standards for this type of business. These standards include additional measures regarding security, lighting, and window signage. The project has been conditioned to ensure that these standards are adhered to and continue to be complied with in the future.

- b) **Finding:** The site is physically suited for the type, density, and intensity of the proposed use, including access, utilities, and the absence of physical constraints, and can be conditioned to meet all related performance criteria and development standards.

Evidence: The site is currently a retail smoke shop within an existing shopping center. The proposed convenience store will be similar in type and intensity as it will also provide retail sales of products. The proposed business will not be making any exterior modifications and will continue to maintain access, utilities, and will not have any physical constraints.

- c) **Finding:** The permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.

Evidence: The use of a convenience store would not be detrimental to the public as it would provide additional shopping opportunities and products for the neighboring area. The convenience store will have grocery options as well as other miscellaneous items available to the public. The store is also requesting to have off-site alcohol sales as part of this project. The off-site alcohol sales require a CUP and has been reviewed separately.

Conditional Use Permit:

The Applicant is requesting a Conditional Use Permit (CUP) to allow for the off-site sale of beer, wine, and spirits as part of their Convenience Store operation. A CUP is required for any off-site alcohol sales within the Commercial Mixed Use zoning designation. Upon receipt of the application the project was routed to other internal and external departments and agencies including the Rancho Cordova Police Department (RCPD). RCPD has provided an in-depth crime analysis for the area that is discussed further within the Letter of Public Convenience and Necessity section of this report.

As required per Zoning Code section 23.134.070, conditional use permits are a discretionary quasi-judicial decision by City Council. Council may approve or approve with conditions an application for a conditional use permit after finding all the following findings and evidence:

- a) **Finding:** The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

Evidence: The proposed convenience store with off-site alcohol sales is located within a CMU zoning designation within an existing shopping center. The location currently is a retail smoke shop which has similar parking, traffic, access, and use intensity as the proposed convenience store. The location is adequate for the proposed retail use.

- b) Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other code standards or other reasonable conditions of approval.

Evidence: The negative impacts of the off-site sale of alcohol can be mitigated through the additional standards that are required for a Convenience Store per zoning code section 23.910.020 as well as the additional conditions of approval that have been added at the request of the Rancho Cordova Police Department (RPCD). The business will also be required to obtain the necessary permits from the Department of Alcoholic Beverage Control (ABC) which will include additional regulations placed on the business to ensure minimal impacts to adjacent properties as well as the area as a whole.

- c) Finding: All required public facilities have adequate capacity to serve the proposal.

Evidence: The location is within an existing shopping center which includes existing retail businesses as well as restaurants. The Applicant currently has an existing smoke shop at this location which will be converted to the proposed convenience store. The current public facilities at this location will continue provided adequate capacity for the continued retail use of this space.

- d) Finding: The project meets the requirements of the zoning code including development standards, design guidelines, and special use provisions

Evidence: The Applicant is requesting a CUP in order to meet Zoning Code requirements for off-site sale of alcohol. The project site is within an existing building that currently meets development standards required for the Commercial Mixed Use (CMU) zone. The business will be conditioned to meet all requirements, including development standards specifically for a convenience store and additional conditions for the off-site sale of alcohol sales placed by the Rancho Cordova Police Department.

- e) Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the zoning code, where feasible.

Evidence: The project site location conforms to current zoning code regulations and does not have any outstanding code issues. The space is currently a smoke shop however it will be required to make slight modifications to adhere to the specific standards for a Convenience Store.

Public Convenience and Necessity (PCN):

As part of Applicant's Type 21 application with the Department of Alcoholic Beverage Control (ABC), the Alcoholic Beverage Control Act requires further review by the local governing body if

the business location is considered high in concentration in regard to the number of licenses in the surrounding area or if the business is within a high crime area reporting an average of 20% or greater than the average number of reported crimes.

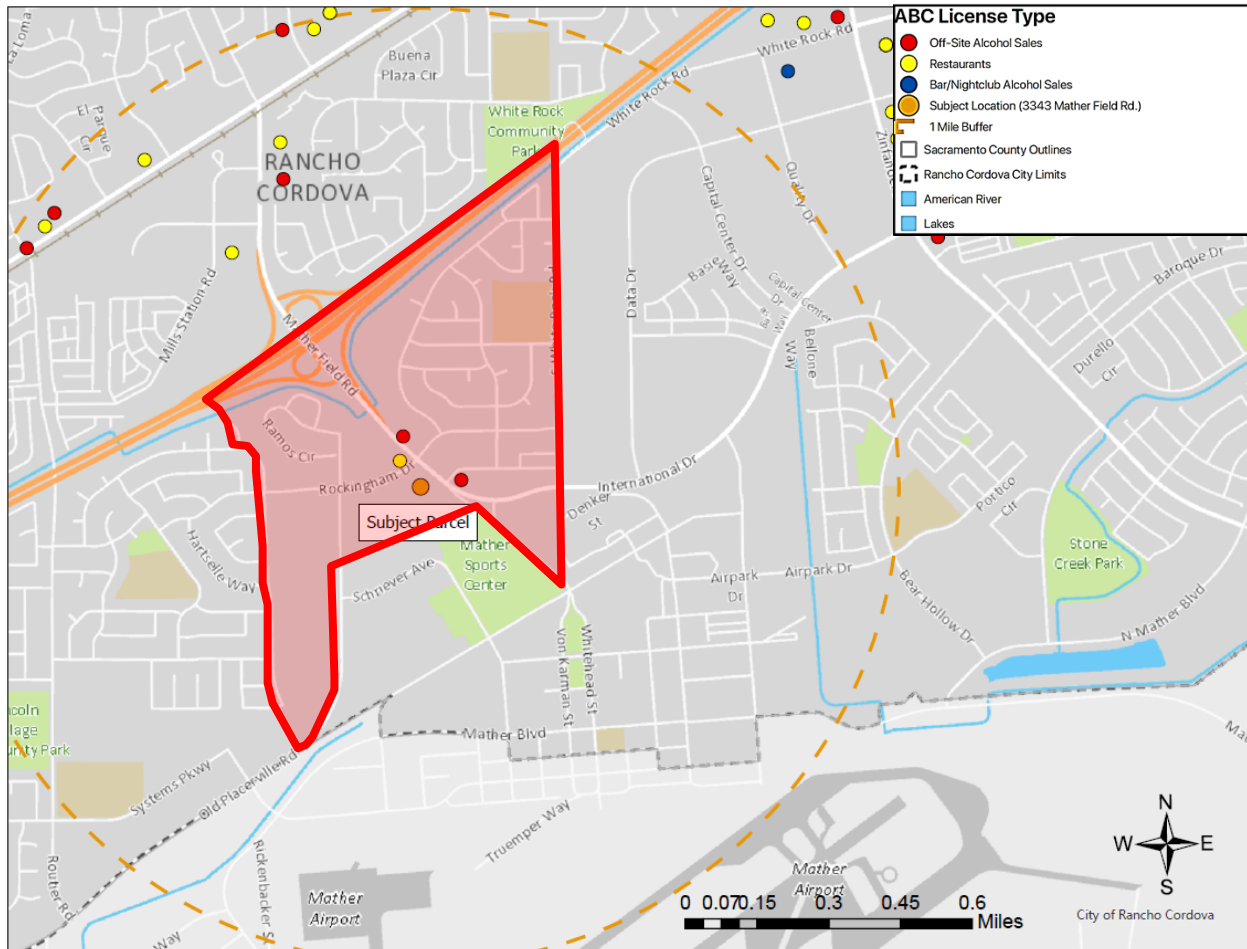
These two factors have been reviewed by the Rancho Cordova Police Department and Royal C has been required to obtain a PCN due to the concentration in the area. The Rancho Cordova Municipal Code Chapter 4.60 regulates the issuance of “letters of public convenience” and outlines that the request must be routed to all applicable agencies and must be heard before City Council for a determination of approval. City Council may determine that the public convenience may be met only if certain conditions are imposed upon the license issued by ABC. Staff has written a list of conditions of approval for the proposed business that must be adhered to so long as the entitlements are valid. These conditions include specifications for window signage and security, employment of designated persons, as well as cleanliness and maintenance. Once Council has decided, the decision shall be communicated to ABC.

Both the Planning Department and the Rancho Cordova Police Department have reviewed the PCN application for over-concentration of alcohol licenses in the area as well as calls for service within the neighborhood. Both topics have been summarized below.

License Concentration in the area

ABC determines concentration by the number of alcohol license within any given Census Tract. Allowed concentration is determined by the number of off-site licenses compared to the size of a population within a certain census tract. The census tract in which Royal C is located is bound by Highway 50, S White Rock Road, the Rockingham Shopping Center, and Mather Heritage Trail (**See Figure 3**). Given the population in the area the number of off-site alcohol licenses allowed within this census tract would be one (1) off-site license. Royal C would be the 2nd off-site alcohol license and therefore requires a Letter of PCN from the local jurisdiction before their application can be approved by the Department of ABC. Rancho Cordova Police Department (RCPD) has also expanded their review to include not only those active within the census tract but all alcohol licenses within a 1 mile radius of the property (**See Figure 3**).

Figure 3: 1 Mile radius and Census Tract 90.7 (Red Area)



The map shows six off-site alcohol licenses within a 1 mile radius. Four of the six alcohol licenses are located across Highway 50 along Folsom Boulevard and those closest to the project stie are listed below.

Table 2: Nearby Off-site Licenses

#	Status	Type	Address	Business Name
1	Surrendered (Not Active)	Type 21 (Off-Sale General)	3291 Mather Field Rd	Sonny's Market
2	Active	Type 21 (Off-Sale General)	3329 Mather Field Rd	United Oil (76 Gas Station)

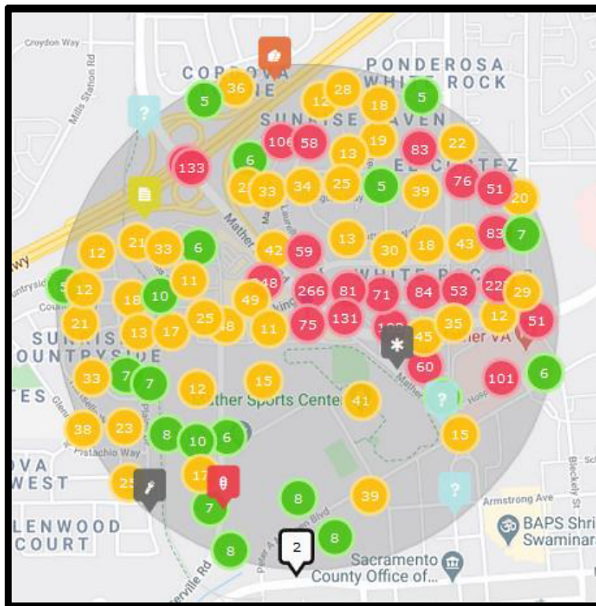
Given that there is only one existing active license near to the property, the Planning Department and RCPD have determined that the addition of a 2nd off-site alcohol license in the area will not create any undue concentration for the surrounding area at this time.

Crime Analysis surrounding 3336 Mather Field Road

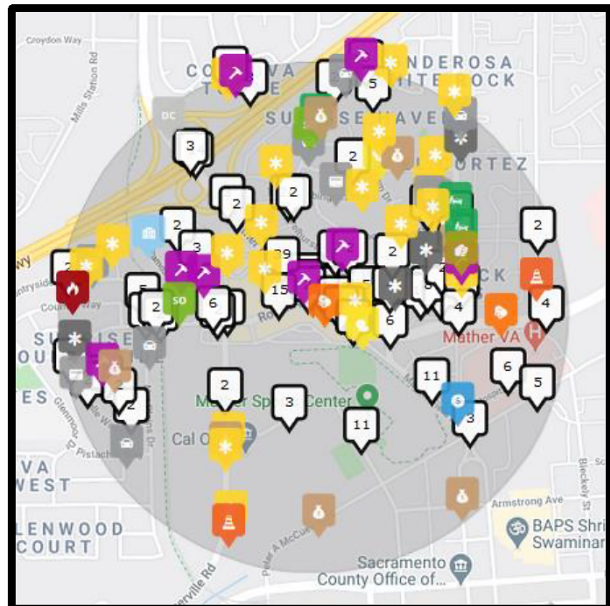
Also as part of the Project review, Rancho Cordova Police Department has conducted a crime analysis that investigates the number of calls for police service and the number of police reports that have been taken within ½ mile of the subject property over the past year (1/1/2020 – 12/31/2020). The full report has been included as Attachment 4 however, the reports maps and a brief summary is shown below.

Figure 4: Crime Analysis Graphics

CALLS FOR SERVICE



REPORTS TAKEN



*Red circles are 50 calls or greater

- 3,648 total Calls for Service have been taken within the ½ mile radius and within the 1 year time frame (a decrease of 215 calls from 2019). 2,796 of those calls have been calls from the Public and 852 of those calls were from officers in the field.
- 4 calls for service were directly from the subject property, a decrease from 6 in 2019 (type of calls shown below)

Initial Call Type	Event Number	Final Call Type	How Received	Date and Time Received
Disturbance	SD20000352388	Suspicious Subject(s)	Telephone	11/06/2020 11:04
Medical / Check Welfare	SD20000208658	Welfare Check	Telephone	06/29/2020 22:38
Alarm Call	SD20000170342	Alarm – False	Alarm Company	05/28/2020 04:36
Alarm Call	SD20000037857	Alarm – False	Alarm Company	02/02/2020 03:26

- 328 total Police reports were taken within the ½ mile radius and within the 1-year time frame (an increase of 7 reports from 2019)
- No reports were taken at the subject property (3336 Mather Field Road) (1 report taken in 2019 for theft)

To place these numbers in perspective, staff has included the number of calls for service and reports taken over the past 5 years within the same area (**See Table 3**).

Table 3: Five Year Comparison

Year	2016	2017	2018	2019	2020	Overall Avg.
Calls for Service	3552	4265	4161	3863	3648	3897.8
Reports Taken	321	349	337	321	328	331.2

Given that the numbers shown for 2020 are below the average of the past 5 years and calls for service have decreased since 2017, Staff and RCPD are recommending approval of the requested Letter of Public Convenience and Necessity.

FISCAL ANALYSIS OF PROJECT

The City anticipates that the proposed project will provide additional revenue from an increase in sales taxes through the added variety of goods provided by a convenience store rather than the existing smoke shop.

ENVIRONMENTAL

Staff has determined that the project site was adequately analyzed according to the California Environmental Quality Act (CEQA) Guidelines and Categorically Exempt under Section 15301 (Existing Facilities). The conversion of the existing retail smoke shop to a convenience store with off-site alcohol sales will not have the potential for causing a significant effect to any nearby resources or to the overall environment.

RECOMMENDED MOTIONS

Staff recommends that Council adopt the Resolution, which finds the project to be in compliance with the California Environmental Quality Act (CEQA), approve the requested Administrative Use Permit, Conditional Use Permit and Letter of Public Convenience Necessity for the Royal C Store DD10007, subject to the findings, and Conditions of Approval (Attachment 2).

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - Conditions of Approval
3. Project Plans – Floor Plan
4. Crime Analysis Report and Concentration Map for 3336 Mather Field
5. 500' Radius Map with Mailing Labels

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING A REQUEST FOR AN ADMINISTRATIVE USE PERMIT, CONDITIONAL USE PERMIT AND LETTER OF PUBLIC CONVENIENCE AND NECESSITY FROM THE CITY OF RANCHO CORDOVA FOR THE ROYAL C STORE, PROJECT #DD10007

WHEREAS, on September 14, 2020, Royal C Store (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova for an Administrative Use Permit (AUP), Conditional Use Permit (CUP), and Letter of Public Convenience and Necessity (PCN) to allow for the off-sales of alcohol, specifically beer, wine, and spirits (Department of Alcoholic Beverages Control (ABC) Type 21 license) at 3336 Mather Field Road, Assessor's Parcel Number 077-0400-003-0000; and

WHEREAS, the location is an existing permitted Smoke Shop that is proposed to convert to a Convenience Store with off-site alcohol sales; and

WHEREAS, the Applicant has applied for a Type 21 alcohol license with the Department of ABC and is required to obtain a Letter of PCN from the local jurisdiction due to over-concentration of licenses in the immediate area; and

WHEREAS, City Staff and the Rancho Cordova Police Department have reviewed the application and project location and have recommended approval of the submitted application with Conditions of Approval attached as Exhibit A; and

WHEREAS, the City Council of the City of Rancho Cordova conducted a properly noticed public hearing pursuant to Government Code section 65090 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize and adopt a Resolution to approve an Administrative Use Permit and Conditional Use Permit attached hereto as Exhibit A, and grant a Letter of Public Convenience and Necessity, to be executed by the Community Development Director or her designee, based on the following findings.

1. Determine that the project site was adequately analyzed according to the California Environmental Quality Act (CEQA) Guidelines and Categorically Exempt under Section 15301 (Existing Facilities), in that the conversion of a smoke shop to a convenience store with off-site sales of alcohol will not have the potential for causing a significant effect on the environment.
2. Administrative Use Permit: Zoning Code Section 23.125.070 states that the approval authority shall approve or approve with conditions an application for an AUP if the application meets the required findings. The following are the required findings for an AUP and evidence to support them:

- a) Finding: The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this zoning code, municipal code, General Plan, and any applicable Specific Plans or city regulations/standards.

Evidence: The proposed convenience store is meeting all applicable standards and requirements of section 23.910.020 of the Rancho Cordova Zoning Code which provides specific development standards for this type of business. These standards include additional measures regarding security, lighting, and window signage. The project has been conditioned to ensure that these standards are adhered to and continue to be complied with in the future.

- b) Finding: The site is physically suited for the type, density, and intensity of the proposed use, including access, utilities, and the absence of physical constraints, and can be conditioned to meet all related performance criteria and development standards.

Evidence: The site is currently a retail smoke shop within an existing shopping center. The proposed convenience store will be similar in type and intensity as it will also provide retail sales of products. The proposed business will not be making any exterior modifications and will continue to maintain access, utilities, and will not have any physical constraints.

- c) Finding: The permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.

Evidence: The use of a convenience store would not be detrimental to the public as it would provide additional shopping opportunities and products for the neighboring area. The convenience store will have grocery options as well as other miscellaneous items available to the public. The store is also requesting to have off-site alcohol sales as part of this project. The off-site alcohol sales requires a CUP and has been reviewed separately.

3. Conditional Use Permit: Zoning Code Section 23.134.070 states that the approval authority shall approve or approve with conditions an application for a CUP if the application meets the required findings. The following are the required findings for a CUP and evidence to support them:

- a) Finding: The site size, dimensions, location, topography, and access are adequate for the needs of the proposed use, considering the proposed building mass, parking, traffic, noise, vibration, exhaust/emissions, light, glare, erosion, odor, dust, visibility, safety, and aesthetic considerations.

Evidence: The proposed convenience store with off-site alcohol sales is located within a CMU zoning designation within an existing shopping center. The location currently is a retail smoke shop which has similar parking, traffic, access, and use intensity as the proposed convenience store. The location is adequate for the proposed retail use.

- b) Finding: The negative impacts of the proposed use on adjacent properties and on the public can be mitigated through application of other code standards or other reasonable conditions of approval.

Evidence: The negative impacts of the off-site sale of alcohol can be mitigated through the additional standards that are required for a Convenience Store per zoning code section 23.910.020 as well as the additional conditions of approval that have been added at the request of the Rancho Cordova Police Department (RPCD). The business will also be required to obtain the necessary permits from the Department of Alcoholic Beverage Control (ABC) which will include additional regulations placed on the business to ensure minimal impacts to adjacent properties as well as the area as a whole.

- c) Finding: All required public facilities have adequate capacity to serve the proposal.

Evidence: The location is within an existing shopping center which includes existing retail businesses as well as restaurants. The Applicant currently has an existing smoke shop at this location which will be converted to the proposed convenience store. The current public facilities at this location will continue provided adequate capacity for the continued retail use of this space.

- d) Finding: The project meets the requirements of the zoning code including development standards, design guidelines, and special use provisions

Evidence: The Applicant is requesting a CUP in order to meet Zoning Code requirements for off-site sale of alcohol. The project site is within an existing building that currently meets development standards required for the Commercial Mixed Use (CMU) zone. The business will be conditioned to meet all requirements, including development standards specifically for a convenience store and additional conditions for the off-site sale of alcohol sales placed by the Rancho Cordova Police Department.

- e) Finding: If structures and site plans are considered nonconforming, the elements of a project that are nonconforming have been brought into compliance with the zoning code, where feasible.

Evidence: The project site location conforms to current zoning code regulations and does not have any outstanding code issues. The space is currently a smoke shop however it will be required to make slight modifications to adhere to the specific standards for a Convenience Store.

4. The City Council hereby approves the Letter of Public Convenience and Necessity (PCN), based on the following findings:

- a) The City Council finds that given the results of the crime analysis performed by Rancho Cordova Police Department and the zoning designation of Commercial Mixed Use, the requested off-site alcohol license is acceptable in this location. Also, although the surrounding area may be considered over-concentrated according to ABC guidelines (only one off-site license allowed in this census tract), the approval of another off-site alcohol sales will provide an additional convenience to surrounding

ITEM 11.1.

ATTACHMENT 1

residents who wish to receive a variety of goods and services from the existing neighborhood commercial center.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 19th day of January, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Garrett Gatewood, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

ITEM 11.1.
Conditions of Approval

ATTACHMENT 2
Exhibit A to the Resolution

		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
1.	The approved entitlement is for an Administrative Use Permit, Conditional Use Permit, and Letter of Public Convenience and Necessity to allow for a Convenience Store with off-site alcohol sales including beer, wine, and spirits located at 3336 Mather Field Road within the Rockingham Shopping Center (APN: 077-0400-003-0000), subject to the Conditions of Approval herein, for project number DD10007. The finding of Public Convenience is contingent upon the imposition these conditions by the Department of Alcoholic Beverage Control upon the ABC license.	Project Description	On-Going	Planning	
2.	The applicant shall hold harmless the City, its Council Members, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action.	General	On-Going	Planning	
3.	Applicant shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityoffranchocordova.org for the status of your account with the City.	General	On-Going	Finance	
4.	This action does not relieve the applicant of the obligation to comply with all ordinances, statutes, regulations, and procedures.	General	On-Going	Planning	
5.	The permit holder is hereby notified that failure to comply with any one of these conditions may result in the	General	On-Going	Planning	

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		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
	revocation of this permit, pursuant to the City of Rancho Cordova Zoning Code.				
6.	The applicant/property owner shall obtain a license (Type 21) for off-sale alcohol sales from Alcoholic Beverage Control in a timely manner prior to sale of any such beverage. The applicant/property owner shall comply with all ABC regulations regarding sales, security, location, etc.	General	On-Going	Planning	
7.	The existing building is currently connected to public sewer. Any required construction and/or modification to the public sewer system must be to the satisfaction of SASD prior to the approval of improvement plans. SASD Design Standards and Specifications apply to any onsite and offsite public sewer construction.	Existing Sewer Connections	On-Going	SASD	
8.	SASD Design Standards and Specifications require minimum 6-inch lower laterals for commercial and industrial buildings. Demolishing of the building may require replacing the existing 4-inch lower lateral to a 6-inch lower lateral.	Building Demolition	On-Going	SASD	
9.	Convenience Stores shall adhere to the following standards as required per Section 23.910.020 of the Rancho Cordova Zoning Code: Outdoor Lighting. Project lighting levels shall be as follows: one foot-candle of minimum maintained illumination per square foot of parking surface during business hours and 0.25 foot-candles of minimum maintained illumination per square foot of surface on any walkway, alcove, passageway, etc., from a half hour before dusk to a half hour after dawn. All light fixtures shall be vandal-resistant, and shall also comply with the requirements of RCMC 23.725.060(D) (Level of Illumination).	Convenience Store Standards	On-Going	Planning	

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	<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
• Litter Removal. Management shall be responsible for the removal of litter from adjacent property and streets that results from this project (with adjacent property owner consent) • Security Plan. Project shall incorporate a variety of security measures that provide safety for employees and patrons of the convenience store • Windows. Window placement and design shall allow for window surveillance by employees of all outside areas from the employees' primary work positions. Windows shall be clear of any signs, merchandise, or other materials at all times from between three feet and six feet in height from ground level. No more than 15 percent of the combined total window area may be covered with signage, advertising, or other coverings, etc., as described in Chapter 23.743 RCMC (Signs). • Security Systems. Building security systems and employee training shall be used to resist crime attempts. The following minimum measures shall be implemented. Alternate security measures may be approved by the Chief of Police. a) Employers shall provide employee training on safety and security, education on alcohol awareness, checking various forms of identification, and detecting and preventing illegal activity.				

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	<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
b) Store shall have an interior layout that provides visibility for the cashier into spaces such as corners or hidden areas, e.g., low display counters or two-way mirrors. c) The cashier station shall be designed to be visible from the parking area. Windows or doors shall not be blocked with posters or signs. Counters shall be maintained free from excess displays to enhance the visibility of the cashier station. d) A timed drop safe shall be provided adjacent to the cashier station. Premises shall be posted accordingly. e) The installation of height tape next to the exit. f) A prominently displayed video camera for identifying criminals. The video camera should include a device that records 24 hours of video directly onto a DVD/DVR recorder. The owner shall maintain a library of the recorded digital video for a minimum of seven days. g) Inside doors to storage, utility, and office areas shall be provided with two-way mirrors to create uncertainty as to how many people are in the store and to deter criminals. h) Required Signs. Signs shall be posted prohibited loitering and the consumption of alcoholic beverages in the business or in the parking areas, and any other signs as				

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		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
	required by the city. This signage requirement shall not count toward the maximum signage allowed by Chapter 23.743 RCMC (Signs).				
10.	Rancho Cordova Police Department has reviewed the plan design for the Royal C Store and requires the following Conditions of Approval: 1. Failure to comply with or disregard with the Conditions of Approval could lead to possible revocation of the approved Conditional Use Permit 2. The applicant or his/her agent is responsible for reasonably controlling the conduct of persons inside and outside the facility and shall control behavior, noise, and prevent unreasonable interference with adjacent businesses and adjacent properties that create a public nuisance. 3. There shall be no coin operated games or video machines maintained upon the premises at any time. 4. A sign concerning the California law (Business and Professions Code 25658) prohibiting minors to drink alcohol and a sign concerning the California law (Business and Professions Code 25620) prohibiting loitering or public drinking must be posted on the premises. 5. A copy of the conditions of approval must be kept	Police COAs	On-Going	Rancho Cordova Police Department	

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	<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
on premises and posted in a place where any member of the general public may readily view it. 6. The applicant shall prohibit anyone from bringing alcoholic beverages on site. 7. Any employees assigned to the cashier counter shall be at least 21 years of age. Within ninety (90) days of employment these employees shall receive “responsible beverage service training”. Documentation of this training to all current employees shall be retained on the premises and provided to City or Police employees upon immediate request. Training shall include but is no limited to. • State laws relating to alcoholic beverages, particularly ABC and penal provision concerning sales to minors and intoxicated persons, driving under the influence, hours of legal operations, and penalties for violations of these laws. • The potential legal liabilities of owners and employees of businesses dispensing alcoholic beverages to patrons who may subsequently injure, kill or harm themselves or innocent victims as a result of the excessive consumption of alcoholic beverages. • Alcohol as a drug and its effects on the body and behavior, including the operation of motor vehicles.				

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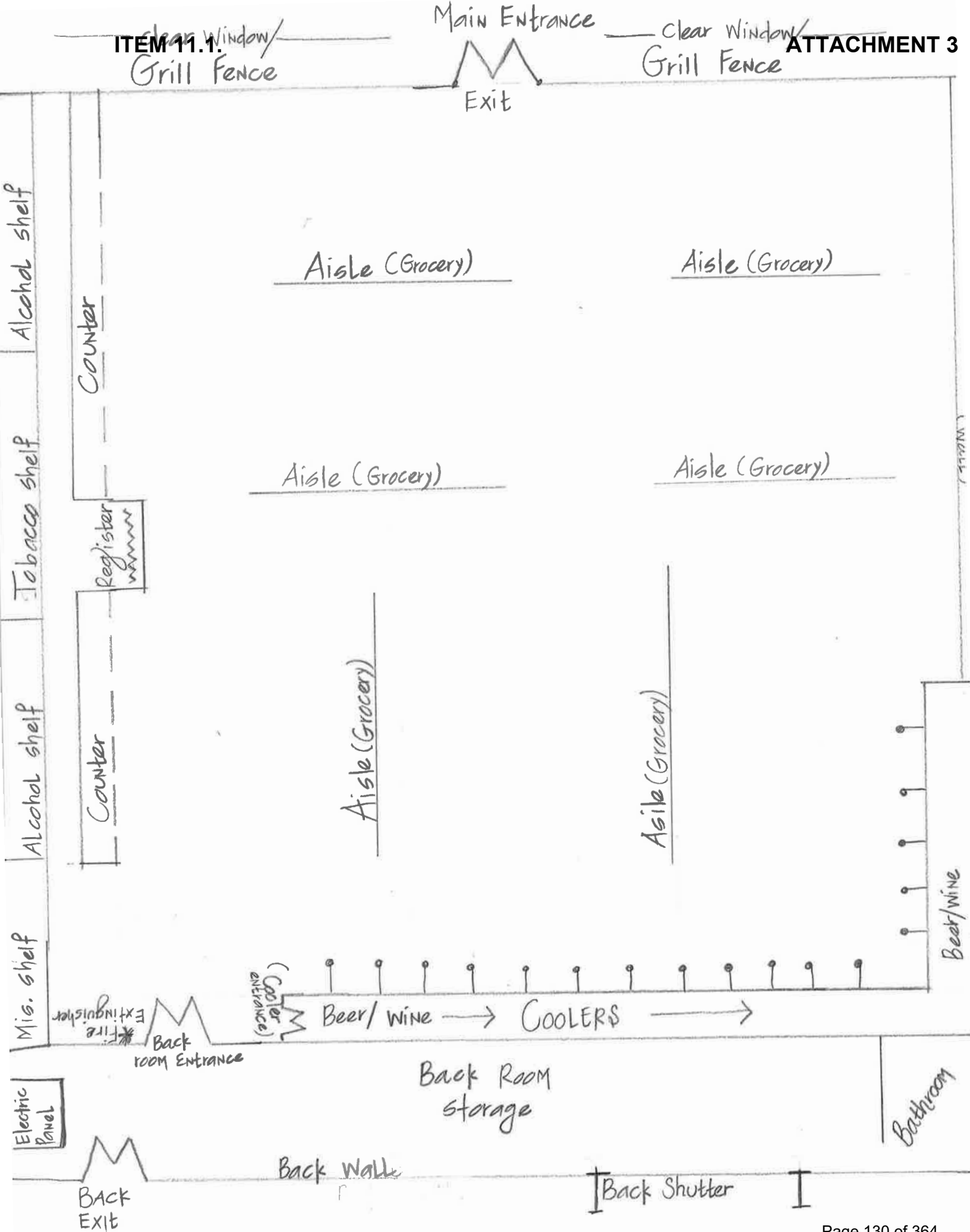
	<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
• Methods for preventing customers from becoming intoxicated, methods for dealing with intoxicated customers and recognizing underage customers. • Methods to appropriately pace customer drinking to reduce the risk that the customer will not leave the premises in an intoxicated manner. 8. Surveillance camera system shall operate 24 hours a day and be capable of storing records for a minimum of 30 days. Assistant Managers and Managers shall be trained to operate, retrieve and download information on a readable optical or USB format for law enforcement should the need arise. 9. The Applicant shall post and maintain on the premises and in the parking lot used in conjunction therewith, notices or signs, no less than 18 inches by 24 inches in size, clearly visible to patrons of the convenience store and parking lot and to persons on the public sidewalk stating in two-inch block lettering the following: NO LOITERING IS ALLOWED ON OR IN FRONT OF THESE PREMISES. 10. Strict compliance with RCMC 23.910.020 Convenience stores is required and failure to comply with those regulations shall subject the permittee to possible suspension and/or revocation of the Conditional Use Permit.				
PRIOR TO ISSUANCE OF BUILDING PERMIT				

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Conditions of Approval

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		<u>Category</u>	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>	<u>Verification (date and Signature)</u>
10.	The Applicant shall meet the following: Architectural Plans shall be submitted <u>and</u> approved prior to Final Building Permit being issued. Fire Sprinkler and Fire Alarm plans shall be <u>submitted</u> prior to Final Building Permit being issued. Please note: The Sacramento Metro Fire District <u>does not</u> allow deferred submittals for Fire Sprinkler or Fire Alarm plans.	Fire Plan Submittals	Prior to Issuance of Building Permit	Sacramento Metro Fire	
11.	Where a bridge or elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HB-17.	Fire Access	Prior to Issuance of Building Permit	Sacramento Metro Fire	
PRIOR TO GRANTING FINAL OCCUPANCY					
12.	Approved numbers or addresses shall be placed on all new or existing buildings in such a position as to be easily read from the street or road fronting the property. The minimum size of the numbers shall not be less than six (6) inches and shall be mounted immediately adjacent to a light source and shall also contrast with their background.	Addressing	Prior to Issuance of Building Permit	Sacramento Metro Fire	

- Gates shall be installed in accordance with The County Emergency Access Gates and Barriers Standard. Plan submittal is required prior to installation.



RANCHO CORDOVA POLICE DEPARTMENT**INVESTIGATION AND COMMUNITY SERVICES****CRIME ANALYSIS**

Calls For Service/Reports Taken
One-Half Mile Radius Of
3336 MATHER FIELD ROAD

1/1/2020 through 12/31/2020

Produced for
City of Rancho Cordova Planning

January 5, 2021



This report was produced for informational purposes only; it is limited by the information available and/or collected at the time the data was generated. This information is not a replacement for official UCR statistics, which are based on national reporting specifications.



RANCHO CORDOVA POLICE DEPARTMENT

3336 MATHER FIELD ROAD

This report covers all calls for service and reports taken within a one-half mile radius of 3336 Mather Field Road, Royal C Store between January 1, 2020 and December 31, 2020.

The photo below was taken by Google Maps in February 2020:

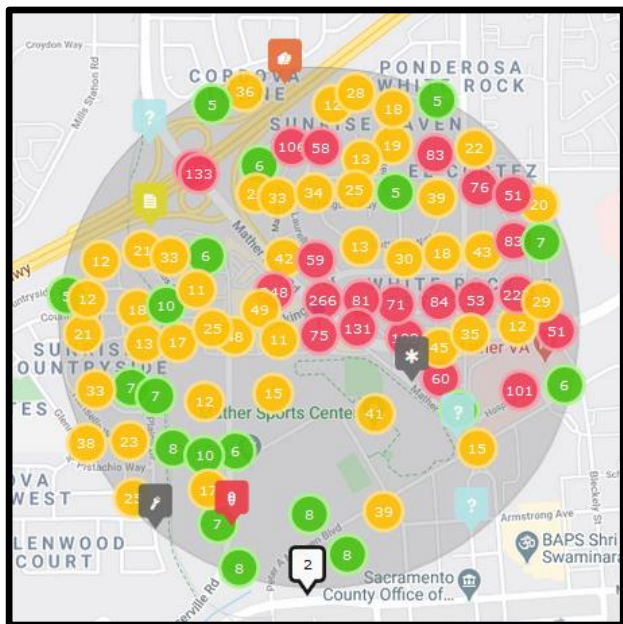




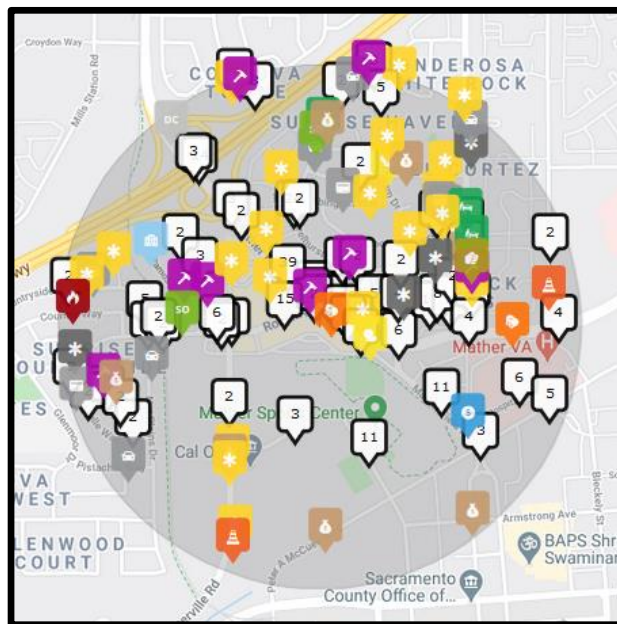
RANCHO CORDOVA POLICE DEPARTMENT

Within ½ mile of 3336 MATHER FIELD ROAD1/1/2020 through 12/31/2020

CALLS FOR SERVICE



REPORTS TAKEN



Notes:

- 3,648 total Calls For Service within the radius and time frame (2,796 public generated and 852 officer-initiated).
- 4 calls for service at 3336 Mather Field Road
- 328 total Reports Taken within the radius and time frame
- No reports taken at 3336 Mather Field Road

**RANCHO CORDOVA POLICE DEPARTMENT****3336 MATHER FIELD ROAD****1/1/2020 through 12/31/2020****CALLS FOR SERVICE**

Initial Call Type	Event Number	Final Call Type	How Received	Date and Time Received
Disturbance	SD20000352388	Suspicious Subject(s)	Telephone	11/06/2020 11:04
Medical / Check Welfare	SD20000208658	Welfare Check	Telephone	06/29/2020 22:38
Alarm Call	SD20000170342	Alarm – False	Alarm Company	05/28/2020 04:36
Alarm Call	SD20000037857	Alarm – False	Alarm Company	02/02/2020 03:26

REPORTS

Report Number	Report Type	Begin Date and Time	End Date and Time
N/A			



RANCHO CORDOVA POLICE DEPARTMENT

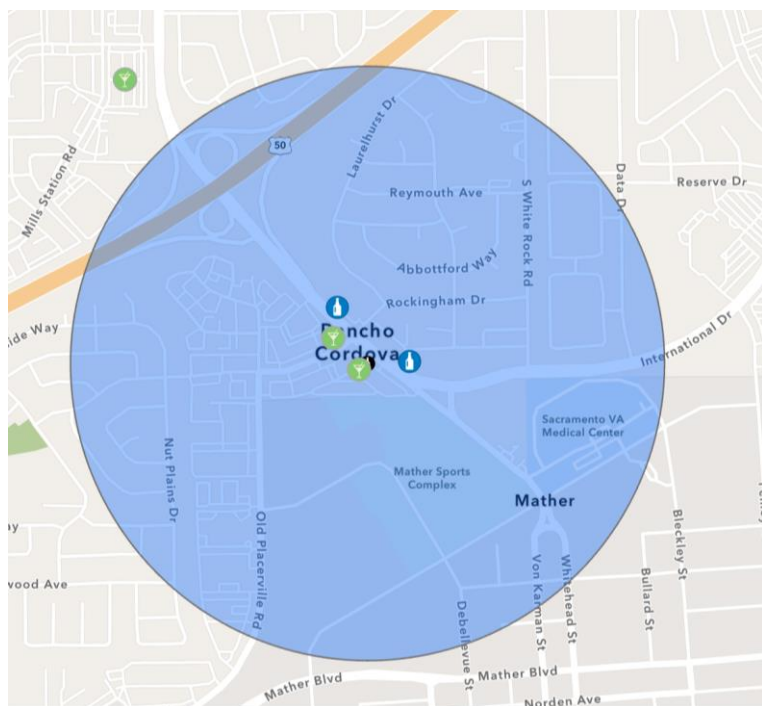
3336 MATHER FIELD ROAD**GEOGRAPHIC INFORMATION**

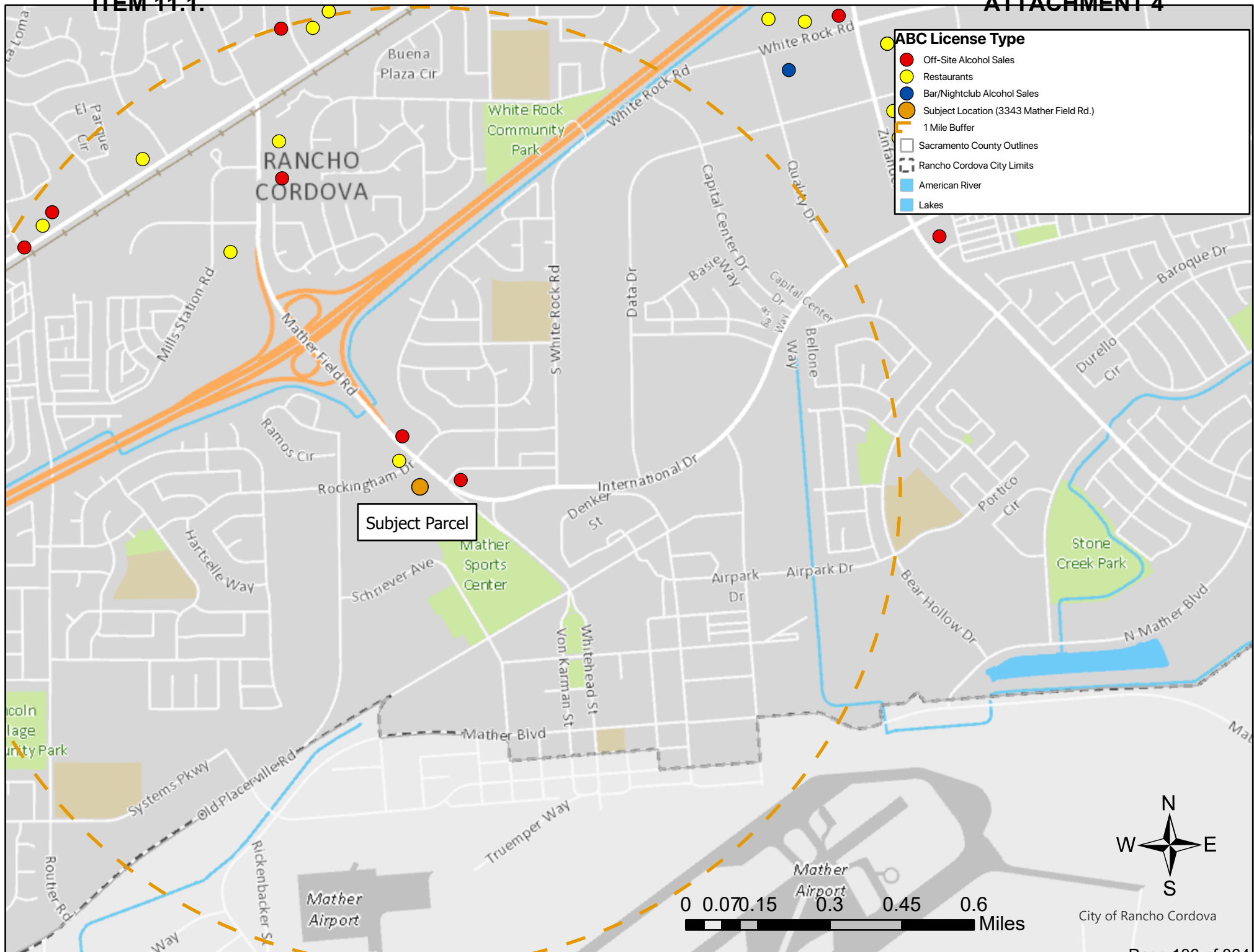
This establishment is within Census Tract 0090.07 for purposes of classification by the State of California Department of Alcoholic Beverage Control (ABC).

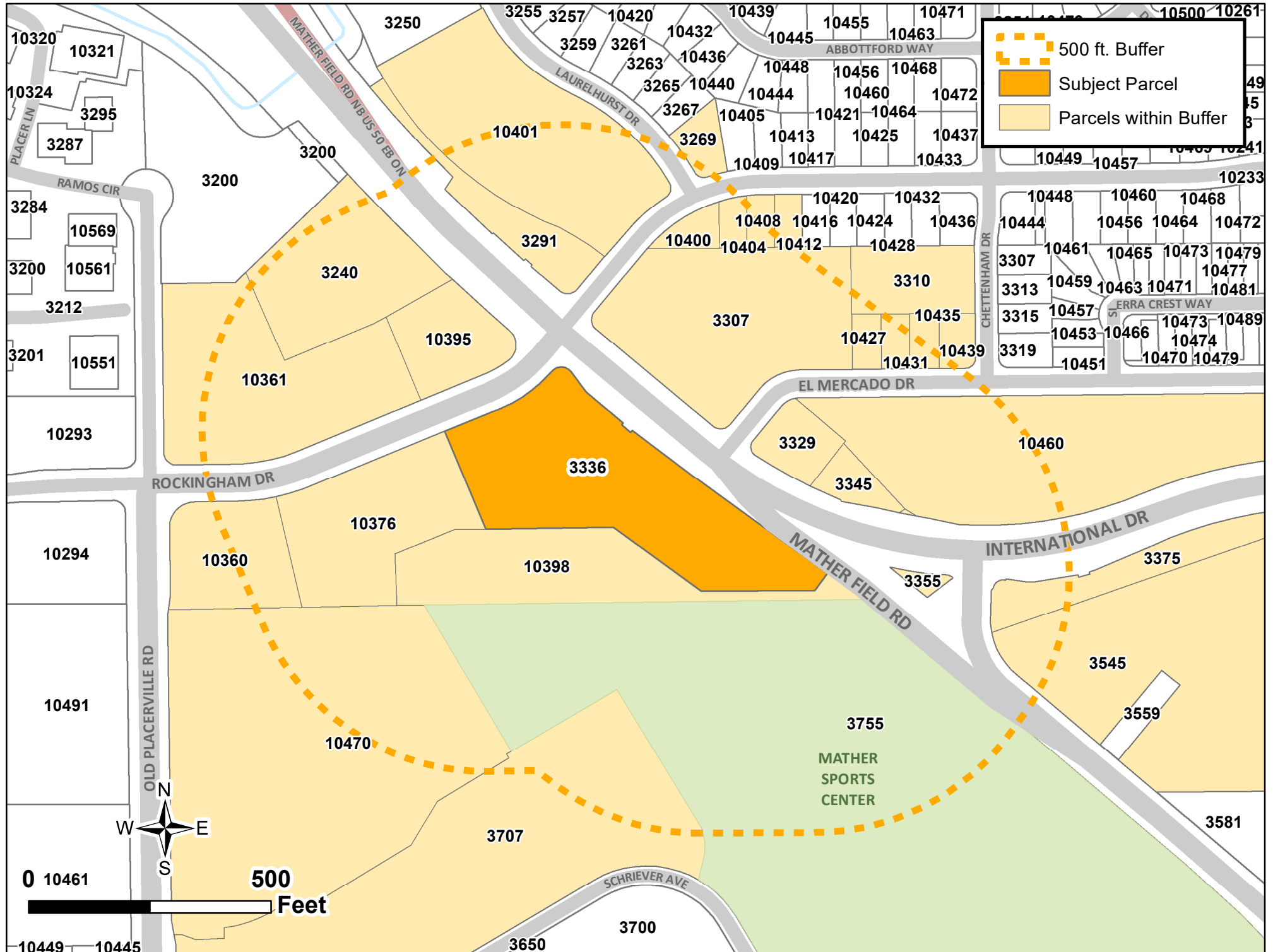
Per ABC, this Census Tract is authorized one off sale license, and, including this location, there would be two locations operating, in addition to a license that is currently in "Suspended" status. ABC will likely be requiring a letter of Public Convenience and Necessity (PCN) for this request.

A review of licenses in Rancho Cordova has identified one additional "off-sale" establishments within ½ mile of this location. Those locations are identified in the table below:

Name	Address	License Type
APRO, LLC	3329 Mather Field Road	Off Sale General
Sonny's Market (Surrendered)	3291 Mather Field Road	Off Sale General

**LEGEND****ON SALE LICENSE****OFF SALE LICENSE**





ITEM 11.1.

077-0050-075-0000
10470 OLD PLACERVILLE PROPERTY LLC
11444 W OLYMPIC BLVD FL 10TH
LOS ANGELES, CA 90064

077-0400-003-0000
495 22ND STREET ASSOCIATES LLC
10398 ROCKINGHAM DR 13
SACRAMENTO, CA 95827

077-0040-052-0000
BUZZ OATES ENTRPRS II LLC
555 CAPITOL MALL STE 900
SACRAMENTO, CA 95814

077-0050-077-0000
CORDOVA RECREATION/PARK DISTRICT
2729 PROSPECT PARK DR STE 230
RANCHO CORDOVA, CA 95670

077-0040-052-0000
CURRENT OCCUPANT
10361 ROCKINGHAM DR # 400
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 300
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 600
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 900
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10366 ROCKINGHAM DR
SACRAMENTO, CA 95827

077-0400-002-0000
CURRENT OCCUPANT
10376 ROCKINGHAM DR
SACRAMENTO, CA 95827

077-0040-048-0000
3240 MATHER FIELD LLC
20907 CHATSWORTH ST
CHATSWORTH, CA 91311

077-0240-006-0000
BALLAD TOWN LLC
PO BOX 476
HILLSBORO, OR 97123

077-0050-024-0000
CAMBRIDGE GARDENS 2 LLC
2299 POST ST STE 103
SAN FRANCISCO, CA 94115

077-0400-001-0000
CURRENT OCCUPANT
10360 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 100
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 400
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 700
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10362 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10366 ROCKINGHAM DR STE 1
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10378 ROCKINGHAM DR # A
SACRAMENTO, CA 95827

ATTACHMENT 5

077-0400-001-0000
495 22ND STREET ASSOCIATES LLC
100 THE EMBARCADERO PH
SAN FRANCISCO, CA 94105

077-0122-028-0000
BROOKS SHARON A
3269 LAURELHURST DR
RANCHO CORDOVA, CA 95670

077-0240-004-0000
CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10361 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 200
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 500
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10361 ROCKINGHAM DR STE 800
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10364 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10366 ROCKINGHAM DR STE 2
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10378 ROCKINGHAM DR # B
SACRAMENTO, CA 95827

ITEM 11.1.

CURRENT OCCUPANT
10380 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10386 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10392 ROCKINGHAM DR
SACRAMENTO, CA 95827

077-0400-004-0000
CURRENT OCCUPANT
10398 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 11
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 15
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 2
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 5
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 8
SACRAMENTO, CA 95827

077-0121-006-0000
CURRENT OCCUPANT
10401 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10382 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10388 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10394 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 1
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 12
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 16
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 3
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 6
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 9
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 1
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
10384 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10390 ROCKINGHAM DR
SACRAMENTO, CA 95827

077-0040-051-0000
CURRENT OCCUPANT
10395 ROCKINGHAM DR
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 10
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 14
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 17
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 4
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10398 ROCKINGHAM DR STE 7
SACRAMENTO, CA 95827

077-0123-011-0000
CURRENT OCCUPANT
10400 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 10
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 17
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 22
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 25
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 28
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 30
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 33
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 36
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 15
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 18
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 20
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 23
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 26
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 29
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 31
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 34
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 37
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 13
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 19
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 21
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 24
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 27
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 3
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 32
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 35
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 38
RANCHO CORDOVA, CA 95670

ITEM 11.1.

ATTACHMENT 5

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 39
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 40
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 7
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10401 ROCKINGHAM DR # 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10402 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

077-0123-010-0000
CURRENT OCCUPANT
10404 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10406 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

077-0123-002-0000
CURRENT OCCUPANT
10408 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

077-0123-003-0000
CURRENT OCCUPANT
10412 ROCKINGHAM DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT A
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT B
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT C
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT D
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT E
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT F
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT G
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT H
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT I
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT J
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT K
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT L
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT M
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT N
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT O
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10421 EL MERCADO DR APT P
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
10421 EL MERCADO DR APT Q
RANCHO CORDOVA, CA 95670

077-0240-009-0000
CURRENT OCCUPANT
10431 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10437 EL MERCADO DR
RANCHO CORDOVA, CA 95670

077-0240-049-0000
CURRENT OCCUPANT
10460 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 17
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 22
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 25
RANCHO CORDOVA, CA 95670

077-0240-008-0000
CURRENT OCCUPANT
10427 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10433 EL MERCADO DR
RANCHO CORDOVA, CA 95670

077-0240-011-0000
CURRENT OCCUPANT
10439 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 1
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 15
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 18
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 20
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 23
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 26
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
10429 EL MERCADO DR
RANCHO CORDOVA, CA 95670

077-0240-010-0000
CURRENT OCCUPANT
10435 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10441 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 13
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 19
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 21
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 24
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 27
RANCHO CORDOVA, CA 95670

ITEM 11.1.

ATTACHMENT 5

CURRENT OCCUPANT
10460 EL MERCADO DR APT 28
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 29
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 3
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 30
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 31
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 32
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 33
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 34
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 35
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 36
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 37
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 38
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 39
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 40
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 41
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 42
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 43
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 44
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 45
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 46
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 47
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 48
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 49
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 50
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 51
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 52
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 53
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 54
RANCHO CORDOVA, CA 95670

ITEM 11.1.

ATTACHMENT 5

CURRENT OCCUPANT
10460 EL MERCADO DR APT 55
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 56
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 57
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 58
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 59
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 60
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 61
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 62
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 63
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 64
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 65
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 66
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 67
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 68
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 69
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 7
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 70
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 71
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 72
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 73
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 74
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 75
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 76
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 77
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 78
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 79
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 80
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10460 EL MERCADO DR APT 9
RANCHO CORDOVA, CA 95670

ITEM 11.1.

077-0050-075-0000
CURRENT OCCUPANT
10470 OLD PLACERVILLE RD
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10480 EL MERCADO DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 102
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 81
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 84
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 87
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 90
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 93
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 96
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 99
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10470 OLD PLACERVILLE RD # 100
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10480 EL MERCADO DR APT 100
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 103
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 82
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 85
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 88
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 91
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 94
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 97
RANCHO CORDOVA, CA 95670

077-0040-048-0000
CURRENT OCCUPANT
3240 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
10470 OLD PLACERVILLE RD # 110
SACRAMENTO, CA 95827

CURRENT OCCUPANT
10480 EL MERCADO DR APT 101
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 104
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 83
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 86
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 89
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 92
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 95
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
10480 EL MERCADO DR APT 98
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
3280 LAURELHURST DR APT 41
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 44
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 47
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 50
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 53
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 56
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 59
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 77
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 87
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3291 MATHER FIELD RD APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 42
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 45
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 48
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 51
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 54
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 57
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 60
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 85
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 88
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3291 MATHER FIELD RD STE A
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3280 LAURELHURST DR APT 43
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 46
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 49
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 52
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 55
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 58
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 61
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3280 LAURELHURST DR APT 86
RANCHO CORDOVA, CA 95670

077-0121-010-0000
CURRENT OCCUPANT
3291 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3291 MATHER FIELD RD STE B
RANCHO CORDOVA, CA 95670

ITEM 11.1.

077-0240-006-0000
CURRENT OCCUPANT
3307 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 17
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 3
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 1
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 15
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 18
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 20
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 7
RANCHO CORDOVA, CA 95670

077-0240-007-0000
CURRENT OCCUPANT
3310 CHETTENHAM DR
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 2
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 13
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 19
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 21
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3307 MATHER FIELD RD APT 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 1
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 3
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
3310 CHETTENHAM DR # 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 7
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 17
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 3
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 1
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 15
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 18
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 20
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 7
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3310 CHETTENHAM DR # 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3310 CHETTENHAM DR # 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 13
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 19
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 21
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3315 MATHER FIELD RD APT 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 1
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 13
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 4
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 7
RANCHO CORDOVA, CA 95670

077-0400-003-0000
CURRENT OCCUPANT
3324 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3330 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3334 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3340 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

077-0240-017-0000
CURRENT OCCUPANT
3345 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 14
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 5
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 8
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3326 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3330 MATHER FIELD RD # A
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3336 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3342 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3346 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 15
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 3
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 6
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3323 MATHER FIELD RD APT 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3328 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3332 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3338 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3344 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3348 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
3350 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

077-0240-004-0000
CURRENT OCCUPANT
3355 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3360 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3366 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

077-0050-024-0000
CURRENT OCCUPANT
3545 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 100
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 103
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 106
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 109
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 111
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3352 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3356 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3362 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3368 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 1
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 101
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 104
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 107
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 11
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 112
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3354 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3358 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3364 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

077-0240-050-0000
CURRENT OCCUPANT
3375 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 10
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 102
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 105
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 108
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 110
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 113
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 114
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 117
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 12
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 122
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 125
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 128
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 130
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 16
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 2
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 23
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 115
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 118
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 120
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 123
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 126
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 129
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 14
RANCHO CORDOVA, CA 95670

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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 20
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 24
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 116
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 119
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 121
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 124
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CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 18
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 22
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 25
RANCHO CORDOVA, CA 95670

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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 26
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 29
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 31
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

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RANCHO CORDOVA, CA 95670

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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 45
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 48
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 50
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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
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3545 MATHER FIELD RD APT 35
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 38
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 40
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
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3545 MATHER FIELD RD APT 46
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 49
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 51
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

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3545 MATHER FIELD RD APT 30
RANCHO CORDOVA, CA 95670

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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 52
RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 56
RANCHO CORDOVA, CA 95670

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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 70
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CURRENT OCCUPANT
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 76
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 79
RANCHO CORDOVA, CA 95670

ATTACHMENT 5

CURRENT OCCUPANT
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CURRENT OCCUPANT
3545 MATHER FIELD RD APT 58
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RANCHO CORDOVA, CA 95670

ITEM 11.1.

CURRENT OCCUPANT
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RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 83
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 86
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 89
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 91
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 94
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 97
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD UNIT 19
RANCHO CORDOVA, CA 95670

077-0050-077-0000
CURRENT OCCUPANT
3755 SCHRIEVER AVE
MATHER, CA 95655

077-0240-049-0000
EL MERCADO APTS LP
PO BOX 7185
STOCKTON, CA 95267

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 81
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 84
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 87
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 9
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 92
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 95
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 98
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD UNIT 21
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3755 SCHRIEVER AVE
MATHER, CA 95655

077-0240-050-0000
GORDON FAMILY LP
2929 ROUTIER RD
SACRAMENTO, CA 95827

ATTACHMENT 5

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 82
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 85
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 88
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 90
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 93
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 96
RANCHO CORDOVA, CA 95670

CURRENT OCCUPANT
3545 MATHER FIELD RD APT 99
RANCHO CORDOVA, CA 95670

077-0050-076-0000
CURRENT OCCUPANT
3707 SCHRIEVER AVE
SACRAMENTO, CA 95827

077-0123-003-0000
DC TRUST
2085 OWL MEADOW ST
FOLSOM, CA 95630

077-0123-002-0000
HARUMI SANDERS LIVING TRUST/
6037 CHERRY CREEK CT
CITRUS HEIGHTS, CA 95621

ITEM 11.1.

077-0123-010-0000
HEATER FAMILY 1994 REVOCABLE
TRUST
5524 OAK HILLS CT
CARMICHAEL, CA 95608
077-0400-004-0000
MACKO DAVID A/ERIN K/DDD
PARTNERSHIP/AJSE LLC
2747 RIVERSIDE BLVD
SACRAMENTO, CA 95818
077-0121-010-0000
PIARA SINGH 2007 REVOCABLE TRUST
11420 BEVAN ST
SLOUGHHOUSE, CA 95683

077-0240-005-0000
VIRGINIA B MILLER TRUST
3329 MATHER FIELD RD
RANCHO CORDOVA, CA 95670

077-0400-002-0000
WHITEFISH RV PK INCORPORATED
10018 FAIR OAKS BLVD
FAIR OAKS, CA 95628

077-0240-010-0000
JAYAKUMAR FAMILY REVOCABLE
TRUST
47490 HOYT ST
FREMONT, CA 94539
077-0240-009-0000
MARTIN SCOTT
92 CATALPA LN
CAMPBELL, CA 95008

077-0240-008-0000
RAM SURESH/NISHA
14809 MICHELE DR
GLENELG, MD 21737

077-0240-011-0000
VKANA LLC
180 SOMERSET RD
PIEDMONT, CA 94611

ATTACHMENT 5

077-0040-051-0000
KIM TRUST
107 RUSSVILLE CT
FOLSOM, CA 95630

077-0240-007-0000
PACIFIC COAST SLAVIC BAPTIST
ASSOCIATION
PO BOX 188122
SACRAMENTO, CA 95818
077-0050-076-0000
SUTTER HEALTH
PO BOX 163119
SACRAMENTO, CA 95816

077-0121-006-0000
WESTERN SEA LIMITED PARTNERSHIP
5350 WILSHIRE BLVD STE 360834
LOS ANGELES, CA 90036

ITEM 11.1.

ATTACHMENT 5

SACRAMENTO SANITATION DISTRICT
10060 GOETHE ROAD
SACRAMENTO CA 95827

SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT
10060 GOETHE ROAD
SACRAMENTO CA 95827

SACRAMENTO COUNTY WATER
AGENCY
10151 FLORIN ROAD
SACRAMENTO CA 95829

PG&E
2730 GATEWAY OAKS DRIVE
SACRAMENTO CA 95833

PG&E
343 SACRAMENTO STREET
AUBURN CA 95603

SMUD
6301 S STREET MS B304
SACRAMENTO CA 95817

SMUD
6301 S STREET MS B304
SACRAMENTO CA 95817

SMUD
6301 S STREET MS B404
SACRAMENTO CA 95817

SACRAMENTO METROPOLITAN FIRE
10545 ARMSTRONG AVE STE 310
MATHER CA 95655

FOLSOM CORDOVA UNIFIED SCHOOL
DISTRICT
1965 BIRKMNT DRIVE
RANCHO CORDOVA CA 95742

CA AMERICAN WATER COMPANY
4701 BELOIT DR
SACRAMENTO CA 95838

CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DR
RANCHO CORDOVA CA 95670

MEMORANDUM



ITEM 12.1.

DATE: January 19, 2021

TO: Honorable Mayor and Council Members

FROM: Michelle Mingay, Senior Finance Analyst

SUBJECT: **A RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR AND ON BEHALF OF THE CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1, APPROVING AND DIRECTING THE EXECUTION OF A SUPPLEMENTAL FISCAL AGENT AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will authorize the sale of a second series of Special Tax Bonds (the "Bonds") for and on behalf of Grantline 208 Community Facilities District No. 2018-1 for the purpose of providing money for the acquisition and construction of improvements, and the payment of certain development impact fees related to the project, within the Community Facilities District.

BACKGROUND

Grantline 208 Community Facilities District No. 2018-1 ("CFD 2018-1") or (the "District") was formed in 2018 to assist in the financing of the acquisition and construction of certain public facilities and payment of certain fees within the Grantline 208 project. Through various City Council actions, the City Council has declared the necessity to incur bonded indebtedness in a maximum principal amount not to exceed \$35,000,000 and set an annual appropriations limit of \$6,100,000.

In 2019, the City of Rancho Cordova (the "City") issued \$7,105,000 of Special Tax Bonds. The bond proceeds from this issuance was used to finance the acquisition and construction of certain public facilities and infrastructure improvements necessary to support the planned

development within the District through the payment of certain development impact fees related to the project.

Since then, approximately 20% of the parcels within the District have been fully developed and sold to individual homeowners. The construction and sale of these units have helped to diversify property ownership within the District, as well as increased property values, which is supported by the updated appraisal of the property in the District which was undertaken by Integra Reality Resources, an MAI appraiser based in Rocklin.

Based on the current status of the property within the District, the appraisal estimates the value of the property within the District at approximately \$94.1 million. This has created an opportunity for the District to issue a second series of special tax bonds. Based on the expected par amount of \$6.0 million, the property value compared to bonded debt lien would exceed the required 4:1 value to lien requirement, which is consistent with prior special tax bonds issued within the City.

The proposed financing-related resolution approves: (i) the sale of the Bonds in an amount not to exceed \$7 million; (ii) a Supplemental Fiscal Agent Agreement; (iii) the Preliminary Official Statement; (iv) Bond Purchase Agreement, and authorizes related documents on behalf of the District. Descriptions of these documents are as follows:

- **Supplemental Fiscal Agent Agreement:** The Supplemental Fiscal Agent Agreement allows U.S. Bank to act on behalf of the City to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds, all consistent with the terms and conditions for the first series of special tax bonds issued for the District in 2019.
- **Bond Purchase Agreement:** The Bond Purchase Agreement is a legally binding document between the issuer (City on behalf of the District) and an underwriter (Piper Sandler & Co.) establishing the terms of the Bond sale. After the issuer delivers the Bonds to the underwriter, and the underwriter pays the issuer for them, the underwriter will put the Bonds on the market at the price and yield established during the Bond pricing call, currently scheduled for the week of February 1st, and investors will purchase the Bonds from the underwriter.
- **Preliminary Official Statement:** The preliminary Official Statement is a document that serves as the prospectus for the Bonds. It is the disclosure document relied on by Bond investors that details the underlying security for the Bonds and all associated investment risks. The Official Statement is the offering document used by the underwriter to market the Bonds and indicated how investors in the Bonds will be repaid.

Assuming the City Council approves this financing, staff will work with the Bond finance team to determining the final Bond sizing, and the preliminary Official Statement will be finalized and posted electronically for investors to review. Assuming the market remains stable, the City;

NHA Advisors, LLC, the City's Municipal Advisor; and Piper Sandler & Co., the bond underwriter, will hold a pre-pricing call the week of February 1st to review bond market conditions and the preliminary interest rates, after which, the Bonds will be sold. An authorized officer will then execute, on behalf of the City, a Bond Purchase Agreement with Piper Sandler & Co., finalizing the bond interest rates and setting the delivery date, which is anticipated to occur the week of February 15th.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact. The Special Tax Bonds are secured solely by the Special Taxes levies within the District and are not a debt of the City's General Fund. Costs of issuance are payable solely from Bond proceeds.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the Bonds that have been provided by NHA Advisors, LLC, the City's municipal advisor, which has been represented by such party to have been provided in good faith: (1) estimated true interest cost of the Bonds: 3.61%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): \$449,375; (3) estimated amount of proceeds of the Bonds received by the City (net of finance charges, reserves and capitalized interest, if any): \$5,500,000; and (4) estimated total payment amount (sum total of all payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the Bonds) calculated to the final maturity of the Bonds: \$10,301,429.

ATTACHMENT(S)

1. Resolution
2. Grantline 208 Supplemental Fiscal Agent Agreement
3. Grantline 208 Bond Purchase Agreement
4. Grantline 208 Preliminary Official Statement

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2021

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR
AND ON BEHALF OF THE CITY OF RANCHO CORDOVA GRANTLINE 208 COMMUNITY
FACILITIES DISTRICT NO. 2018-1, APPROVING AND DIRECTING THE EXECUTION OF A
SUPPLEMENTAL FISCAL AGENT AGREEMENT, APPROVING THE FORM OF
PRELIMINARY OFFICIAL STATEMENT, APPROVING SALE OF SUCH BONDS, AND
APPROVING OTHER RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to form the Grantline 208 Community Facilities District No. 2018-1 (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to issue bonded indebtedness secured by said special taxes for the purpose of providing moneys for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD; and

WHEREAS, on October 1, 2018, the City Council, as legislative body of the CFD, and the qualified electors of the CFD, authorized the issuance of bonded indebtedness for the CFD in the maximum principal amount of not to exceed \$35,000,000 (excluding bonds described in Section 53364.2(e) of the Act) (the "Authorization"); and

WHEREAS, pursuant to the provisions of the Act and the Fiscal Agent Agreement, dated as of December 1, 2019 (the "Original Fiscal Agent Agreement") by and between U.S. Bank National Association (the "Fiscal Agent") and the City, the City in December 2019 issued, for and on behalf of the District, \$7,105,000 initial principal amount of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2019 (the "2019 Bonds") for the purpose of financing various public improvements authorized to be funded by the District, which 2019 Bonds constituted the first series of bonds issued pursuant to the Authorization; and

WHEREAS, Section 5.17 of the Original Fiscal Agent Agreement authorizes the issuance by Supplemental Agreement of Additional Bonds (as such terms are defined in the Original Fiscal Agent Agreement) secured under the Original Fiscal Agent Agreement on parity with the 2019 Bonds; and

WHEREAS, there has been submitted to the City Council a Supplemental Agreement No. 1 to Fiscal Agent Agreement (the "First Supplement"), between the City and U.S. Bank National Association, supplementing the Original Fiscal Agent Agreement and providing for the issuance of a second series of special tax bonds of the City for the CFD, designated as the "City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds Series 2021" (the "Bonds"), and the City Council, with the aid of City staff, has reviewed the First Supplement and found it to be in proper order for the purpose intended, and now desires to approve the First Supplement and the issuance of the Bonds; and

WHEREAS, the City proposes to sell the Bonds to Piper Sandler & Co., as underwriter (the “Underwriter”), pursuant to the terms of a Bond Purchase Agreement (the “Bond Purchase Agreement”) by and between the City and the Underwriter, and the Underwriter proposes to offer the Bonds to the investing public by means of a Preliminary Official Statement (the “Preliminary Official Statement”); and

WHEREAS, the information required to be obtained and disclosed with respect to the Bonds in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, all conditions, things and acts required to exist and to have been performed precedent to and with respect to the issuance of the Bonds and the levy of the special taxes securing the Bonds, as contemplated by this resolution and the Original Fiscal Agent Agreement and First Supplement, have happened and exist as required by the laws of the State of California, including the Act, and the actions to be performed in due time for the issuance of the Bonds conform in form and manner to the applicable laws of the State of California, including the Act.

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

SECTION 1. Findings. This Council finds and determines that (i) it is prudent in the management and development of land in the City and the CFD to issue the Bonds to provide money for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD, and (ii) the Bonds and the CFD are substantially in compliance with the City’s Statement of Policies and Procedures for Special Assessment and Community Facilities District Debt Financing Programs.

SECTION 2. Law Applicable. For the purposes of these proceedings in and for the CFD, the Act shall be the authority for the issuance of the Bonds.

SECTION 3. Bonds Authorized. Pursuant to the Act, this Resolution, the Original Fiscal Agent Agreement and First Supplement, the Bonds in an aggregate principal amount not to exceed \$7,000,000, are hereby authorized to be issued. The Bonds shall be executed in the form set forth in, and otherwise as provided in, the Original Fiscal Agent Agreement and First Supplement. The Bonds shall be dated and executed in the forms, be in the principal amounts, denominations, mature, be payable at the place and in the priorities and bear interest at the rates as set forth in and otherwise as provided in the Original Fiscal Agent Agreement and First Supplement.

The Bonds shall not be issued unless the value of the real property within the CFD subject to the special tax to pay debt service on the Bonds and the 2019 Bonds, based on assessed values and/or an appraisal by an independent appraiser hired by the City for the purpose of determining such value, is at least four times the proposed principal amount of the Bonds and 2019 Bonds proposed to be issued and secured by a special tax levied pursuant to the Act on property within the CFD.

SECTION 4. First Supplement. The First Supplement is hereby approved. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the First Supplement, as finally executed. The terms and provisions of the First Supplement, as finally executed, are incorporated herein by reference as if fully set forth herein.

The City Manager, Deputy City Manager, Administrative Services Director or such other person or persons as any of them may designate (each an "Authorized Officer") are hereby separately authorized and directed to execute and deliver the First Supplement in substantially the form on file with the City Clerk, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with City's bond counsel, and including but not limited to such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Bonds; provided, however, that no additions or changes shall authorize the issuance of an aggregate principal amount of Bonds which would cause bonds issued for the CFD to be in excess of the Authorization. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the First Supplement by an Authorized Officer.

SECTION 5. Bond Preparation and Delivery; Sale of the Bonds. The Bonds, when executed, shall be delivered to the fiscal agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Bonds by executing the fiscal agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by the Mayor and/or an Authorized Officer, which instructions are hereby authorized, for and in the name and on behalf of the City, to be delivered.

SECTION 6. Covenant to Foreclose. The City hereby covenants, for the benefit of the owners of the Bonds, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of debt service on the Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Original Fiscal Agent Agreement.

SECTION 7. Approval of Preliminary Official Statement. The City Council hereby approves the Preliminary Official Statement in substantially the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to execute a final Official Statement (the "Official Statement"), for and in the name and on behalf of the City, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with the City's bond counsel. The City Council hereby authorizes and directs the Underwriter to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and to deliver copies of the Official Statement to all actual purchasers of the Bonds. The City Council hereby authorizes the delivery of the Preliminary Official Statement and the Official Statement.

The City Council hereby authorizes and directs an Authorized Officer, on behalf of the City, to deem "final," pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary

Official Statement prior to its distribution to prospective purchasers of the Bonds.

SECTION 8. Approval of Purchase Agreement. The City Council hereby approves the Bond Purchase Agreement; provided, however, that the aggregate principal amount of Bonds shall not exceed \$7,000,000 or result in an Underwriter's discount in excess of 1.25% of the par amount of the Bonds, or a true interest cost in excess of 4.50%. Subject to the foregoing parameters, an Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement in substantially the form on file with the City Clerk, together with such changes and additions thereto deemed advisable by the Authorized Officer executing the same. The City Council hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

SECTION 9. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the City with respect to the establishment of the CFD and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the Authorized Officers are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.

SECTION 10. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 19th day of January 2021 by following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Garrett Gatewood, Mayor

Stacy Leitner, CMC
City Clerk

**SUPPLEMENTAL AGREEMENT NO. 1 TO
FISCAL AGENT AGREEMENT**

by and between

CITY OF RANCHO CORDOVA

and

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

Dated as of _____ 1, 2021

Relating to:

**\$ _____
City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
Special Tax Bonds
Series 2021**

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EXHIBIT A - FORM OF 2021 BONDS

SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

THIS SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT (this "Supplemental Agreement No. 1" or "Agreement"), dated as of _____ 1, 2021, is by and between the CITY OF RANCHO CORDOVA, a municipal corporation and public body, corporate and politic, organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "District"), and U.S. BANK NATIONAL ASSOCIATION, as fiscal agent (the "Fiscal Agent") under a Fiscal Agent Agreement, dated as of December 1, 2019 (the "Original Fiscal Agent Agreement") by and between the Fiscal Agent and the City.

RECITALS:

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 *et seq.* of the California Government Code) (the "Act") and Resolution No. 126-2018 of the City Council adopted on October 1, 2018; and

WHEREAS, the City Council, as the legislative body of the District, is authorized under the Act to levy special taxes to pay for the costs of facilities within the District and to authorize the issuance of bonds secured by said special taxes under the Act; and

WHEREAS, the Council, as legislative body of the District, authorized the issuance of special tax bonds of the City for the District in the maximum aggregate principal amount of not to exceed \$35,000,000 (the "Bond Authorization"); and

WHEREAS, pursuant to the provisions of the Act and the Original Fiscal Agent Agreement, the City in December 2019 issued, for and on behalf of the District, \$7,105,000 initial principal amount of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2019 (the "2019 Bonds") for the purpose of financing various public improvements authorized to be funded by the District, which 2019 Bonds constituted the first series of bonds issued pursuant to the Bond Authorization; and

WHEREAS, Section 5.17 of the Original Fiscal Agent Agreement authorizes the issuance by Supplemental Agreement of Additional Bonds (as such terms are defined in the Original Fiscal Agent Agreement) secured under the Original Fiscal Agent Agreement on parity with the 2019 Bonds; and

WHEREAS, after due investigation and deliberation the City has determined that it is in the interests of the City and the District at this time for the City, for and on behalf of the District, to provide for the issuance of City of Rancho Cordova Community Facilities District No. 1 Special Tax Bonds, Series 2021 in the initial aggregate principal amount of \$_____ (the "2021 Bonds"), to provide moneys needed to construct and acquire the facilities necessary for development of property within the City; and

WHEREAS, this Supplemental Agreement No. 1 is a "Supplemental Agreement" as defined in Section 1.03 of the Original Fiscal Agent Agreement and the 2021 Bonds are "Additional Bonds" as defined in Section 1.03 of the Original Fiscal Agent Agreement and

secured under the Original Fiscal Agent Agreement, as amended and supplemented by this Supplemental Agreement No. 1, on parity with the 2019 Bonds;

WHEREAS, the City and the Fiscal Agent desire to enter into this Supplemental Agreement No. 1 pursuant to Sections 5.17 of the Original Fiscal Agent Agreement and to provide for the issuance of the 2021 Bonds;

WHEREAS, to provide for the issuance of the 2021 Bonds, it is necessary to supplement and amend the Original Fiscal Agent Agreement, as more particularly provided herein, as authorized by Sections 5.17 and 8.05 of the Original Fiscal Agent Agreement; and

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the 2021 Bonds, when executed by the City for the District, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the City for the District, and to constitute the Original Fiscal Agent Agreement, as amended and supplemented by this Supplemental Agreement No. 1, a valid and binding agreement for the uses and purposes herein and therein set forth, in accordance with its terms, have been done or taken and the execution and delivery of this Supplemental Agreement No. 1 have been in all respects duly authorized.

AGREEMENT :

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to Original Fiscal Agent Agreement. In accordance with the provisions of Section 5.17 and 8.05 of the Original Fiscal Agent Agreement, the Original Fiscal Agent Agreement is hereby amended by adding a new article thereto, to be designated as Article X. Such Article X shall read in its entirety as follows:

ARTICLE X

2021 BONDS

Section 10.01. Definitions. The Original Fiscal Agent Agreement is amended to add the following definitions to Section 1.03.

“Article X” means this Article X which has been incorporated in and made a part of this Agreement pursuant to Supplemental Agreement No. 1, together with all amendments of and supplements to this Article X entered into pursuant to the provisions of Section 8.01.

“Continuing Disclosure Certificate” means (i) with respect to the 2019 Bonds, the Continuing Disclosure Certificate, dated as of December 5, 2019, by and between the City and Goodwin Consulting Group, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof and (ii) with respect to the 2021 Bonds, the Continuing Disclosure Certificate, dated as of _____, 2021, by and among the City and Goodwin Consulting Group, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Closing Date" means, when referring to the 2021 Bonds and as used in this Supplemental Agreement No. 1, _____, 2021.

"Interest Payment Dates" means (i) with respect to the 2019 Bonds, March 1 and September 1 of each year, commencing March 1, 2020, and (ii) with respect to the 2021 Bonds, March 1 and September 1 of each year, commencing September 1, 2021.

"Supplemental Agreement No. 1" means Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of _____ 1, 2021, between the City, for and on behalf of the District, and the Fiscal Agent.

"2021 Bonds" means the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021, authorized to be issued under Section 10.02.

"2021 Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the 2021 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the 2021 Bonds, financial advisor fees, (underwriter's) discount or underwriting fee for the 2021 Bonds, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and safekeeping of the 2021 Bonds and other costs, charges and fees in connection with the foregoing.

"2021 Costs of Issuance Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 10.07.

"2021 Improvement Account" means the account by that name established in Section 10.08(A) of this Supplemental Agreement No. 1.

"2021 Reserve Account" means the account by that name established in Section 10.06(B) of this Supplemental Agreement No. 1.

"Term 2021 Bonds" means the 2021 Bonds maturing September 1, _____ and September 1, _____.

Section 10.02. Authorization of 2021 Bonds. 2021 Bonds in the aggregate principal amount of \$ _____ are hereby authorized to be issued as Additional Bonds under and subject to the terms of this Agreement, the Act, and other applicable laws of the State of California. The 2021 Bonds shall be designated the "City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021."

Jurisdiction is hereby reserved to issue subsequent Additional Bonds; provided that the maximum aggregate principal amount of bonds which may be issued for the District, including Bonds outstanding under this Agreement, shall not exceed the Bond Authorization.

Section 10.03. Terms of 2021 Bonds.

(A) Form; Denominations. The 2021 Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof.

(B) Date of the 2021 Bonds. The 2021 Bonds shall be dated the Closing Date for the 2021 Bonds.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2021 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2021 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2021 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The 2021 Bonds shall be issued as serial bonds and term bonds, and shall mature and become payable as follows:

<u>Maturity Date</u> <u>(Sept. 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u> <u>(Sept.1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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^T Term Bond

(E) Interest and Method of Payment. Interest on the 2021 Bonds shall be payable as provided in Section 2.02(E) of this Agreement, with the Closing Date as used therein being a Closing Date herein, and payments shall be made on the 2021 Bonds as provided in Section 2.02(F), with the first Interest Payment Date being September 1, 2021.

Section 10.04. Redemption of 2021 Bonds.

(A) Redemption Dates.

(i) Optional Redemption. The 2021 Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, ____ at the following respective redemption prices (expressed as percentages of the principal amount of the 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, ____ through August 31, ____	103%
September 1, ____ through August 31, ____	102
September 1, ____ through August 31, ____	101
September 1, ____ and any date thereafter	100

(ii) Mandatory Redemption From Prepayments. The 2021 Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through March 1, ____	103%
September 1, ____ and March 1, ____	102
September 1, ____ and March 1, ____	101
September 1, ____ and Interest Payment Dates thereafter	100

(iii) Mandatory Sinking Payment Redemption. The Term 2021 Bonds maturing September 1, 2045 are subject to mandatory sinking payment redemption in part on September 1, 2041 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

The Term 2021 Bonds maturing September 1, 2050 are subject to mandatory sinking payment redemption in part on September 1, 2046 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

The amounts in the foregoing tables shall be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional or mandatory redemption

of the Term 2021 Bonds pursuant to clause (A)(i) or clause (A)(ii) above. In the event of a redemption pursuant to clause (A)(i) or clause (A)(ii) above, the City shall provide the Fiscal Agent with a revised sinking fund schedule giving effect to the redemption so completed.

In lieu of redemption under this Section 10.04, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2021 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2021 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2021 Bonds pursuant to clause (A)(i) or clause (A)(ii) not less than 45 days prior to the applicable redemption date.

(C) Redemption Procedure by Fiscal Agent; Rescission; Effect of Redemption. The redemption provisions set forth in Section 2.03(C) and Section 2.03(D) shall apply to the 2021 Bonds as if set forth herein.

Section 10.05. Form of 2021 Bonds; Authentication and Delivery.

(A) Form of 2021 Bonds. The 2021 Bonds, the form of Fiscal Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit C attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement and the Act.

(B) Execution of 2021 Bonds. The 2021 Bonds shall be executed on behalf of the City by the Mayor and the City Clerk of the City who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City may be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any 2021 Bond ceases to be such officer before delivery of the 2021 Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2021 Bonds to the Owner. Any 2021 Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such 2021 Bond shall be the proper officers of the City although at the nominal date of such 2021 Bond any such person shall not have been such officer of the City.

Only such of the 2021 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit C, manually or electronically executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that such 2021 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2021 Bonds; Transfer and Exchange; Additional Provisions of the 2021 Bonds. At any time after the execution of Supplemental Agreement No. 1 and delivery by the City of an Officer's Certificate that the requirements of Section 5.17 for the issuance of the 2021 Bonds as Additional Bonds have been met, the City may issue the 2021 Bonds for the District in the aggregate principal amount set forth in Section 10.02 and deliver the 2021 Bonds to the Original Purchaser. The Authorized Officers of the City are hereby

authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2021 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by Supplemental Agreement No. 1, to authorize the payment of 2021 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2021 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2021 Bonds to the Original Purchaser.

The provisions of Sections 2.06 through 2.13 of the Original Fiscal Agent Agreement shall apply to the 2021 Bonds in a like manner as applied to the 2019 Bonds.

Section 10.06. Application of Proceeds of Sale of 2021 Bonds.

(A) Proceeds of 2021 Bonds. The proceeds of the purchase of the 2021 Bonds by the Original Purchaser in the amount of \$_____ (being 100% of the aggregate principal amount thereof, plus an original issue premium of \$_____, less an Underwriter's discount of \$_____), shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(i) Deposit in the 2021 Improvement Account of the Improvement Fund
\$_____;

(ii) Deposit in the 2021 Reserve Account of the Reserve Fund
\$_____;

(iii) Deposit in the 2021 Costs of Issuance Fund \$_____.

(B) 2021 Reserve Account. The City elects not to proceed with a parity reserve fund for all series of bonds issued for the CFD; the Reserve Fund established for the 2019 shall not be applied to other series of bonds issued for the CFD and shall be designated by the Fiscal Agent as the "2019 Reserve Account" within the Reserve Fund. Each series of Additional Bonds shall be secured by a reserve account within the Reserve Fund as a separate reserve from each other Series, as provided in the applicable Supplemental Agreement for such Series.

In accordance with Section 4.03(A), the Fiscal Agent shall establish a separate account within the Reserve Fund, known as the "2021 Reserve Account," into which the amounts set forth in Section 10.06(A)(ii) shall be deposited. The 2019 Reserve Account and the 2021 Reserve Account shall be held by the Fiscal Agent within the Reserve Fund, and administered as set forth in the Agreement. The Reserve Requirement for the 2021 Bonds shall not increase at any time.

The 2021 Bonds shall be secured by a pledge of amounts in the 2021 Reserve Account, which pledge shall constitute a first lien on the 2021 Reserve Account for payment of the 2021 Bonds.

(C) Additional Funds and Accounts. The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers required under this Section 10.06.

Section 10.07. 2021 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2021 Costs of Issuance Fund", which shall be held by the Fiscal Agent in trust. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay

2021 Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Chief Financial Officer or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all 2021 Costs of Issuance upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a 2021 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date. The Fiscal Agent shall maintain the 2021 Costs of Issuance Fund for a period of 45 days from the Closing Date and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the 2021 Improvement Account. Thereafter, every invoice received by the Fiscal Agent shall be paid from amounts on deposit in the 2021 Improvement Account and the Fiscal Agent shall close the 2021 Costs of Issuance Fund. Moneys in the 2021 Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the 2021 Costs of Issuance Fund to be used for the purposes of such fund.

Section 10.08. Establishment and Procedure for Disbursement of 2021 Improvement Account.

(A) Establishment; Disbursements. There is hereby established a separate account within the Improvement Fund established under the Original Fiscal Agent Agreement, to be known as the "2021 Improvement Account," which shall be held by the Fiscal Agent. Disbursements from the 2021 Improvement Account shall be made by the Fiscal Agent according to the procedure set forth in Section 3.04, and an Officer's Certificate substantially in the form of Exhibit B to the Agreement (except that in such Officer's Certificate, reference shall be made to the 2021 Improvement Account and to the 2021 Bonds).

(B) Investment. Moneys in the Improvement Fund and the accounts established thereunder shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits from the investment of amounts in the Improvement Fund shall be retained by the Fiscal Agent in the Improvement Fund to be used for the purposes of the Improvement Fund.

(C) Closing of Fund. Upon the filing of an Officer's Certificate stating that the portion of the Project to be financed from the Improvement Fund and the accounts established thereunder has been completed and that all costs of such portion of the Project have been paid or are not required to be paid from the Improvement Fund, the Fiscal Agent shall transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with Section 4.02 and the Improvement Fund shall be closed.

Section 10.09. Security for 2021 Bonds. The 2021 Bonds shall be Additional Bonds which shall be secured in the manner and to the extent set forth in Articles IV and V, and in this Article X.

Section 10.10. Effect of this Article X. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2021 Bonds shall be deemed to be "Bonds" under and within the meaning of Section 1.03, and every term and condition contained in the foregoing provisions of this Agreement shall apply to the 2021 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

SECTION 2. Attachment of Exhibit C. The Original Fiscal Agent Agreement is hereby further amended by incorporating therein an Exhibit C setting forth the form of the 2021 Bonds, which shall read in its entirety as set forth in Exhibit A attached hereto and hereby made a part hereof.

SECTION 3. Additional Amendments to Original Fiscal Agent Agreement. The Original Fiscal Agent Agreement is hereby further amended as follows:

(A) References in the Original Fiscal Agent Agreement to the 2019 Bonds which, if the context requires reference to the 2019 Bonds and any Additional Bonds in order to maintain the parity relationship of the 2019 Bonds and any Additional Bonds and the security therefor, shall be deemed to refer to "Bonds" as defined in the Original Fiscal Agent Agreement rather than "2019 Bonds."

(B) The following statement: "the Reserve Requirement for the 2019 Bonds shall not increase after the date of issuance of the 2019 Bonds" in the definition of "Reserve Requirement" is hereby changed to read as follows: "the Reserve Requirement for each series of Bonds shall not increase after the date of issuance of such series of Bonds."

SECTION 4. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Supplemental Agreement No. 1 shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Supplemental Agreement No. 1. The City hereby declares that it would have entered into this Supplemental Agreement No. 1 and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2021 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Supplemental Agreement No. 1 may be held illegal, invalid or unenforceable.

SECTION 5. Execution in Counterparts. This Supplemental Agreement No. 1 may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6. Governing Law. This Supplemental Agreement No. 1 shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this Supplemental Agreement No. 1 to Fiscal Agent Agreement to be executed as of _____ 1, 2021.

CITY OF RANCHO CORDOVA, for itself and
on behalf of CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES
DISTRICT NO. 2018-1

By: _____
Administrative Services Director

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Officer

**EXHIBIT A TO SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT
(EXHIBIT C TO ORIGINAL FISCAL AGENT AGREEMENT)**

FORM OF 2021 BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$ _____

CITY OF RANCHO CORDOVA
GRANTLINE 208
COMMUNITY FACILITIES DISTRICT NO. 2018-1 (PUBLIC FACILITIES)
SERIES 2021

INTEREST RATE: MATURITY DATE: BOND DATE: CUSIP:
September 1, _____, 2021

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Rancho Cordova (the "City") for and on behalf of the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2021 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at a designated corporate trust office of U.S. Bank National Association in San Francisco, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on _____ 1, 2020 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California

Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds Series 2021" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of _____ 1, 2019, as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of _____ 1, 2021 (together, the "Agreement"), by and between the City and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable, on parity with previously issued bonds of the District, solely from the Special Tax Revenues and the amounts in certain funds held under the Agreement. "Special Tax Revenues" means the proceeds of the facilities special tax ("Special Taxes") levied under the Mello-Roos Act in the District that are received by the City, including all scheduled payments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the special taxes, net of a 1% administration charge of the County (as such charge may be changed in the future), but not including interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

The Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, ____ at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, ____ through August 31, ____	103%
September 1, ____ through August 31, ____	102
September 1, ____ through August 31, ____	101
September 1, ____ and any date thereafter	100

The Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through March 1, ____	103%
September 1, ____ and March 1, ____	102
September 1, ____ and March 1, ____	101
September 1, ____ and Interest Payment Dates thereafter	100

The Bonds maturing September 1, ____ are subject to mandatory sinking payment redemption in part on September 1, ____ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date <u>(Sept. 1)</u>	Sinking Fund Payment
--	-------------------------

The Bonds maturing September 1, ____ are subject to mandatory sinking payment redemption in part on September 1, ____ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date <u>(Sept. 1)</u>	Sinking Fund Payment
--	-------------------------

The amounts in the foregoing tables shall be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional or mandatory redemption of the Term Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal

Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document. This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent. It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Rancho Cordova has caused this Bond to be dated _____, 2021, to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk.

CITY OF RANCHO CORDOVA, for and on
behalf of the CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES
DISTRICT NO. 2018-1

By: _____
Mayor

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: _____, 2021

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, _____ to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

§ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

BOND PURCHASE AGREEMENT

_____, 2021

City of Rancho Cordova
 Grantline 208 Community Facilities District No. 2018-1
 2729 Prospect Park Drive
 Rancho Cordova, California 95670

Ladies and Gentlemen:

The undersigned, Piper Sandler & Co., as underwriter (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the City of Rancho Cordova (the “City”) for its Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”), which upon acceptance will be binding upon the Underwriter and the City. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the City satisfying all of the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the City’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”) by and between the City and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”).

1. Purchase, Sale and Delivery of the Bonds.

A. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein: the Underwriter hereby agrees to purchase from the City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021 (the “Bonds”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Appendix A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, plus net original issue premium of \$_____, less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide initial public offering of all of the Bonds in compliance with federal and state securities laws, at a price not in excess of the initial offering prices (or yields) set forth in Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the offering of the Bonds, without any

requirement of prior notice, provided that the Underwriter shall not change the interest rates set forth in Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Special Taxes and certain other amounts as provided in the Fiscal Agent Agreement, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Community Facilities District Act"). The issuance of the Bonds has been duly authorized by the City pursuant to a resolution (the "Resolution"), adopted by its City Council (the "City Council") on behalf of the Community Facilities District, on _____. The proceeds of the Bonds shall be used to (i) construct and acquire certain public facilities (or pay fees related to public facilities) authorized for the Community Facilities District; (ii) make a deposit into the debt service reserve fund for the Bonds; and (iii) pay the costs of issuance of the Bonds. The Bonds are being issued on a parity basis with the \$7,105,000 initial principal amount of City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2019 (the "2019 Bonds").

B. The City hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the City on behalf of itself and on behalf of the Community Facilities District herein, and the City shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the City, on behalf of itself or on behalf of the Community Facilities District, herein is incorrect in any material respect.

C. The City acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities for resale to investors in an arm's-length commercial transaction between the City and the Underwriter and that the Underwriter has financial and other interests that differ from those of the City and the Community Facilities District; (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City, the Community Facilities District, or any other person or entity and has not assumed any advisory or fiduciary responsibility to the City or the Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Community Facilities District on other matters); (iii) the only obligations the Underwriter has to the City or the Community Facilities District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the Municipal Securities Rulemaking Board (the "MSRB"); and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The City acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB and acknowledges that it has engaged NHA Advisors, LLC, as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on NHA Advisors, LLC for financial advice with respect to the Bonds.

D. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2021, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "Preliminary Official Statement." By its acceptance of this Purchase Agreement, the City hereby

consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement, and the City agrees to execute a final official statement relating to the Bonds (the “Official Statement”) which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Jones Hall, a Professional Corporation, Bond Counsel and Disclosure Counsel (herein called “Bond Counsel”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 2(S) hereof. The City hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The City further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Fiscal Agent Agreement, this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the City or the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. The Preliminary Official Statement and/or the Official Statement may be delivered and printed in a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed to by the City and the Underwriter. The City confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the most recent Preliminary Official Statement sent to a potential purchaser shall be sent by first class mail or electronically (or other equally prompt means) not later than the first business day following the day upon which each such request is received.

E. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), the City will undertake pursuant to the City Continuing Disclosure Certificate, in the form attached to the Official Statement under Appendix F (the “City Continuing Disclosure Certificate”), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

F. Except as the Underwriter and the City may otherwise agree, the City will deliver to the Underwriter, at the offices of Bond Counsel in San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned; and the City will deliver to the Underwriter through The Depository Trust Company’s (“DTC”) FAST delivery system, the Bonds, in definitive form (all Bonds bearing CUSIP® numbers printed thereon), duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement and the Community Facilities District Act at 8:00 a.m. California time, on _____, 2021 (the “Closing Date”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds, and the specimen Bonds will be made available for checking by the Underwriter not less than 5 days prior to the Closing.

G. Except as the City and the Underwriter may otherwise agree, the City will deliver to the Underwriter, at the offices of Bond Counsel in San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned on the Closing Date.

2. Representations, Warranties and Covenants of the Community Facilities District. The City represents, warrants and covenants to the Underwriter, on behalf of itself and the Communities Facilities District, as the case may be, that:

A. The City is a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State of California (the “State”), and has duly authorized the formation of the Community Facilities District pursuant to resolutions duly adopted by the City Council (the “Community Facilities District Formation Resolution” and, together with the Resolution, the “Community Facilities District Resolutions”) and the Community Facilities District Act. The City Council, as the legislative body of the Community Facilities District, has duly adopted the Community Facilities District Formation Resolution, has duly adopted a Resolution and Ordinance levying the Special Taxes (for all purposes herein, as such are defined in the Fiscal Agent Agreement) within the Community Facilities District (the “Ordinance”), and has caused to be recorded in the real property records of Sacramento County, a notice of special tax lien (the “Notice of Special Tax Lien”) (the Community Facilities District Formation Resolution, the Ordinance, and the Notice of Special Tax Lien being collectively referred to herein as the “Formation Documents”), and the City Council has duly adopted the Resolution. Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State. The City has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Purchase Agreement and the Fiscal Agent Agreement and to carry out all transactions contemplated by each of such agreements; (ii) to enter into the City Continuing Disclosure Certificate; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, this Purchase Agreement and the Official Statement.

This Purchase Agreement, the Fiscal Agent Agreement, and the City Continuing Disclosure Certificate are collectively referred to herein as the “City Documents.”

B. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery by the City of, and the performance by City of, the obligations on its part contained in, the City Documents and has approved the use and distribution by the Underwriter of the Preliminary Official Statement and the execution, use and distribution by the Underwriter of the Official Statement, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the City Documents will constitute the legally valid and binding obligations of the City, on its own behalf and on behalf of the Communities Facilities District, enforceable upon the City and the Community Facilities District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally. To the best of the City’s knowledge, the City has complied, and will at the Closing Date be in compliance in all respects, with the terms of the City Documents that are applicable to the City, and the Community Facilities District has complied, and will at the Closing Date be in compliance in all respects, with the terms of the City Documents that are applicable to the Community Facilities District.

C. The information in the Preliminary Official Statement (other than statements pertaining to the book-entry system and under the headings “THE DISTRICT – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, and in the Official Statement (other than statements pertaining to the book-entry system and under the headings “THE DISTRICT – Development in the District,” as to which no view is expressed) as of its date is, true and correct in all material respects and does not contain any untrue statement of a material fact

or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or material omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the City at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period." If in the opinion of the Underwriter any such event or proceedings requires the preparation and distribution of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Underwriter, at the City's expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a "designated electronic format" consistent with the requirements of the MSRB's Rule G-32 and (ii) a printed format form in substance mutually agreed upon by the City and the Underwriter as the Underwriter may reasonably request. If such amendment or supplement to the Official Statement shall be made subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

E. As of the time of acceptance hereof and as of the Closing Date, the City and the Community Facilities District, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the City Documents, and any immaterial noncompliance by the City or the Community Facilities District, if any, will not impair the ability of the City or the Community Facilities District, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Bonds, the City will continue to comply with the covenants of the City contained in the City Documents and it shall cause the Community Facilities District to continue to comply with the covenants of the Community Facilities District contained in the City Documents.

F. Except as described in the Preliminary Official Statement, neither the City nor the Community Facilities District is, and as of the Closing Date, neither will be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District, as the case may be, is a party or is otherwise subject or bound; and, to the City's knowledge, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event

could have an adverse effect on the City's ability or the Community Facilities District's ability to perform their respective obligations under the City Documents; and as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the City Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the City pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City or the Community Facilities District of their respective obligations under the City Documents or the performance of the conditions precedent to be performed by the City pursuant to this Purchase Agreement. The City has received all licenses, permits or other regulatory approvals required, if any, for the pledge, collection and/or application by the Community Facilities District of the Special Taxes (as defined in the Fiscal Agent Agreement) and other moneys pledged to the payment of the principal of and interest on the Bonds under the Fiscal Agent Agreement.

G. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City or the Community Facilities District of their respective obligations under the City Documents, and the performance of the conditions precedent to be performed by the City pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

H. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending (notice of which has been served on the City or the Community Facilities District) or to the best knowledge of the City or the Community Facilities District threatened, in which any such Action: (i) in any way questions the powers of the City Council or the existence of the Community Facilities District or the titles of the officers of the City and/or the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City or the Community Facilities District contemplated thereby; (iii) contests the exclusion of interest on the Bonds from federal or State income taxation or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the City or the Community Facilities District; (iv) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the City or the Community Facilities District or would result in any material adverse change in the ability of the City to pledge or apply the Special Taxes (as defined in the Fiscal Agent Agreement) or to pay debt service on the Bonds; or (v) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date,

there will be no known basis for any Action of the nature described in clauses (i) through (v) of this sentence.

I. The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the City will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

J. The City Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement. The City represents that the Bonds, when issued, executed and delivered in accordance with the Fiscal Agent Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City, entitled to the benefits of the Fiscal Agent Agreement. The City and the Community Facilities District will each comply with the covenant in the Fiscal Agent Agreement to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes. The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Taxes, and in the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement. The Fiscal Agent Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

K. Except as disclosed in the Preliminary Official Statement, there are, to the best of the City’s knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District which are senior to or on a parity with the Special Taxes.

L. The issuance and sale of the Bonds is not subject to any transfer or other documentary stamp taxes of the State or any political subdivision thereof.

M. The City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from State of California personal income tax, of the interest on the Bonds. The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the City authorized to do so and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Community Facilities District to the Underwriter as to the statements made therein.

O. The City will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and as described in the Official Statement.

P. At or prior to the Closing, the City will have duly authorized, executed and delivered the City Continuing Disclosure Certificate in substantially the form under Appendix F to the Official Statement. Based on a review of previous undertakings, the Preliminary Official Statement and the Official Statement describe the instances in which the City has failed to comply with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

Q. Between the date of this Purchase Agreement and the date of Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter and the City shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Special Taxes or other assets, properties, funds or interests that will be pledged as security for the Bonds pursuant to the City Documents.

R. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the City will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

S. The Preliminary Official Statement was deemed final by a duly authorized officer of the City prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The City hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the City shall cause a final electronic and/or printed form of the Official Statement as set forth in Section 1 above to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

T. The City hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel and the Underwriter from time to time prior to the Closing Date.

U. The City hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the City shall constitute a representation by the City to the Underwriter that the representations and warranties contained in this Section 2 with respect to the City and the Community Facilities District are true as of the date hereof.

3. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the City, on its own behalf and on behalf of the Community Facilities District, contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the city and the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City and the Community Facilities District of

their obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions, the Formation Documents, and the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as was described in the Preliminary Official Statement, neither the City nor the Community Facilities District shall be, in any respect material to the Bonds, the City Documents or the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District, respectively, is a party or is otherwise subject or bound, and the performance by the City or the Community Facilities District, respectively, of its obligations under the Bonds, the City Documents, the Community Facilities District Resolutions, this Purchase Agreement and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America or of any department, division, agency or instrumentality of either thereof or under any applicable court or administrative decree or order or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District, respectively, is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City or the Community Facilities District, respectively, of its obligations under the City Documents, the Bonds or the Community Facilities District Resolutions.

C. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

D. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Agreement by written notice to the City if, between the date of this Purchase Agreement and the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

1. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

a. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or the legislature of the State or recommended to the

Congress by the President of the United States of America or a member of the President's Cabinet, the Department of the Treasury, the Internal Revenue Service or any member of Congress or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other federal or State authority with appropriate jurisdiction, with the purpose or effect, directly or indirectly, of imposing federal or State income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

b. Legislation introduced in or enacted (or resolution passed) by the Congress, or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or an order, decree, injunction or decision issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, the Resolution or the City Documents, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

c. A general suspension of trading in securities on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

d. there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis;

e. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the Community Facilities District shall have occurred;

2. The introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the Community Facilities District, their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes;

3. Any event occurring or information becoming known which, in the judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or

information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

4. A general banking moratorium shall have been declared by federal, State of New York or State of California officials authorized to do so or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

5. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation in interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Comptroller of the Currency, the Securities and Exchange Commission or any other federal or State agency or the Congress of the United States of America, or by Executive Order;

6. A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939;

7. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Community Facilities District.

8. The commencement of an Action described in Section 2(H).

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the City, the Community Facilities District, and the Underwriter under this Agreement shall terminate, without further liability, except that the City and the Underwriter shall pay their respective expenses as set forth in Section 6 below.

E. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. Official Statement. The Official Statement and each supplement or amendment, if any thereto, executed by an authorized officer of the City;

2. Fiscal Agent Agreement. The Fiscal Agent Agreement, duly executed and delivered by the City and the Fiscal Agent;

3. Resolutions. Certifications by the City Clerk with respect to each resolution and ordinance of the City Council, for the City or as the legislative body of the Community Facilities District, relating to the City Documents, the transactions contemplated thereby, formation of the Community Facilities District and issuance of the Bonds;

4. City Continuing Disclosure Certificate. The City Continuing Disclosure Certificate executed and delivered by the City;

5. Bond Counsel Opinion. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the City and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State, in substantially the form included as Appendix E to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

6. Supplemental Opinion. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(i) this Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding agreement of the City and is enforceable in accordance with its terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(iii) the information contained in the Official Statement on the cover and under the captions "THE 2021 BONDS" (other than by reference Appendix G – DTC and the Book-Entry Only System), "SECURITY FOR THE 2021 BONDS," "LEGAL MATTERS" and in Appendices C and E to the Official Statement (excluding any financial, statistical and economic data, forecasts, numbers, charts, graphs, estimates, projections, and assumptions and any information regarding The Depository Trust Company and the book-entry system as to which Bond Counsel need express no opinion or view, and further, excluding any material that may be treated as included under such captions by cross-reference), are accurate insofar as such statements purport to summarize certain provisions of the Bonds, the Fiscal Agent Agreement, Bond Counsel's final approving opinion and the Community Facilities District Act; and

(iv) the Community Facilities District has been duly formed, and the Special Taxes have been duly and validly levied in accordance with the provisions of the Community Facilities District Act and, except to the extent prohibited by moratorium, bankruptcy, reorganization, fraudulent conveyance or transfer, insolvency or other similar laws affecting creditors' rights generally, a lien to secure payment of the Special Taxes has been imposed on taxable property in the Community Facilities District;

7. Special Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Jones Hall, a Professional Corporation, acting as special counsel to the City and the Community Facilities District, substantially in the form of Appendix B hereto;

8. Closing Certificate of the City. A certificate, dated the Closing Date, and signed by an authorized officer of the City substantially in the form of Appendix C hereto, together with such additional certifications as Bond Counsel may require;

9. Bank Incumbency Certificate. Certified copies of the general resolution of the Fiscal Agent authorizing the execution and delivery of certain documents by certain officers of the Fiscal Agent, which resolution authorizes the execution of the Fiscal Agent Agreement and the authentication of the Bonds;

10. Fiscal Agent's Certificate. A certificate of the Fiscal Agent, dated the Closing Date, in form and substance acceptable to the Underwriter and its counsel, substantially in the form of Appendix D hereto;

11. Fiscal Agent's Counsel Opinion. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the City, substantially in the form of Appendix E hereto;

12. Disclosure Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter and to the City, of Jones Hall, a Professional Corporation, as disclosure counsel ("Disclosure Counsel"), in form and substance acceptable to the Underwriter;

13. Opinion of Underwriter's Counsel. An opinion of counsel to the Underwriter, dated the date of the Closing, addressed to the Underwriter, in form and substance acceptable to the Underwriter;

14. Special Tax Consultant Certificate. A certificate, dated the Closing Date from Goodwin Consulting Group substantially in the form attached as Appendix F hereto;

15. Certificate Regarding Continuing Disclosure Compliance. A Continuing Disclosure Compliance Certificate, dated the Closing Date, duly executed and delivered by Goodwin Consulting Group, Inc. in form and substance acceptable to the Underwriter and Disclosure Counsel;

16. Transcript. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds, including certified copies of the Fiscal Agent Agreement and all resolutions of the City and the Community Facilities District relating thereto;

17. Nonarbitrage Certificate. A certificate of the City, dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

18. Specimen Bonds. Copies of the Specimen Bonds;

19. Issue Price Certificate. An issue price certificate of the Underwriter in the form attached as Appendix J hereto;

20. Certificate of Underwriter. A certificate from the Underwriter to the City, in form satisfactory to the City and signed by an authorized officer of the Underwriter, accepting delivery of the Bonds to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by

the City, and confirming to the City that as of the Closing Date, all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects;

21. Form 8038-G. An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the City, together with evidence that such Form 8038-G has been mailed;

22. CDIAC Statements. Copies of filings with the California Debt and Investment Advisory Commission relating to the issuance of the Bonds;

23. Letter of Representations. A copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the City;

24. Certificate Regarding Preliminary Official Statement. Prior to and in connection with printing and distribution of the Preliminary Official Statement, (i) an executed certificate of the City and (ii) an executed certificate of Lennar Homes of California, Inc. (the "Property Owner") in the form under Appendix G hereto.

25. Property Owner Continuing Disclosure Certificate. Executed copies of the Property Owner Continuing Disclosure Certificate from the Property Owner in the form set forth under Appendix F of the Official Statement.

26. Property Owner Closing Certificate. An executed bring-down certificate from the Property Owner, dated as of the Closing Date, in form and substance as set forth in Appendix H hereto.

27. Property Owner Counsel Opinion. The opinion of counsel to the Property Owner, dated the Closing Date and addressed to the City and the Underwriter, in form and substance as set forth in Appendix K hereto.

28. Appraiser Closing Certificate. A certificate in form and substance as set forth in Appendix I hereto of Integra Realty Resources, the appraiser of the property within the Community Facilities District, dated as of the Closing Date.

29. Parity Bonds Certificate. A certificate in form and substance required pursuant to the Fiscal Agent Agreement regarding the issuance of the Bonds as Additional Bonds on a parity with the 2019 Bonds.

30. Additional Documents. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the City, on its own behalf and on behalf of the Community Facilities District, contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City and the Community Facilities District in connection with the transactions contemplated hereby and by the Fiscal Agent Agreement and the Official Statement.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the City nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the City set forth in Section 6 hereof shall continue in full force and effect.

4. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the City that, as of the date hereof and as of the date of the Closing:

A. The Underwriter is duly authorized to execute and deliver this Purchase Agreement and to take any action under the Purchase Agreement required to be taken by it.

B. The Underwriter is in compliance with MSRB Rule G-37 with respect to the City and the Community Facilities District, and is not prohibited thereby from acting as underwriter with respect to securities of the City and the Community Facilities District. The Underwriter is in compliance with MSRB Rule G-17 with respect to the City and the Community Facilities District.

C. The Underwriter has, and has had, no financial advisory relationship with the City or the Community Facilities District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship, within the meaning of California Government Code Section 53590, or otherwise.

D. The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person (including, but not limited to, the City's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

E. The Underwriter has reasonably determined that the City's undertaking in the City Continuing Disclosure Certificate to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with the Rule.

5. Establishment of Issue Price.

A. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix J, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

B. Except as otherwise set forth in Appendix A attached hereto, the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has

occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- a. the close of the fifth (5th) business day after the sale date; or
- b. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

D. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The City acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. “public” means any person other than an underwriter or a related party;

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

c. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are

corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. “sale date” means the date of execution of this Purchase Agreement by all parties.

6. Expenses.

A. Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City’s obligations hereunder, including but not limited to the cost of printing and delivering the Bonds to the Underwriter; the costs of printing and shipping the Preliminary Official Statement and the Official Statement; the fees and disbursements of the City, the Community Facilities District, the Fiscal Agent, Bond Counsel, Disclosure Counsel, accountants and any other experts or consultants retained by the City or the Community Facilities District in connection with the issuance and sale of the Bonds; and any other expenses not specifically enumerated in paragraph (B) of this Section incurred in connection with the issuance and sale of the Bonds.

B. Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay, CUSIP® and CDIAAC fees and expenses to qualify the Bonds for sale under any “blue sky” laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (A) of this Section, including the fees and disbursements of its counsel.

7. Undertakings of the City. The City agrees: (a) to inform the Underwriter, from time to time, upon the reasonable request of the Underwriter, of the amount then on deposit in the Reserve Fund and all accounts thereunder; and (b) to make available to the Underwriter, upon reasonable request of the Underwriter, at the expense of the City, sufficient copies of its audited financial statements, if any, and any resolutions of its legislative body with respect to the Community Facilities District Resolutions, the Bonds, the Fiscal Agent Agreement, the Official Statement, any amendments or supplements thereto, and other documents relating to the Bonds and pertaining to the City or the Community Facilities District adopted or executed, as the case may be, after the Closing Date, to the extent that such documents are publicly available.

8. Notices. Any notice of other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 2321 Rosecrans Ave., Suite 3200, El Segundo, California 90245 Attention: Public Finance. All such notices, requests or other communications may be made by telephone, personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender. The City and the Underwriter may,

by notice given as aforesaid, specify a different address for any such notices, requests or other communications.

9. Parties In Interest. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. The City and the Underwriter may not assign this Agreement. The term “successor” shall not include any holder of any Bonds merely by virtue of such holding.

10. Survival of Representations and Warranties. The representations and warranties of the City under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City or the Community Facilities District and regardless of delivery of and payment for the Bonds.

11. Severability. If any provision of this Purchase Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

12. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

14. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding between the parties hereto in relation to the sale of the Bonds by the City.

15. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

16. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,
PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

The foregoing is hereby agreed to and
accepted as of the date first above written:

CITY OF RANCHO CORDOVA

By: _____
Authorized Representative

Time of Execution: _____ p.m. California time

**[EXECUTION PAGE OF BOND PURCHASE AGREEMENT – CITY OF RANCHO
CORDOVA GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1 SERIES
2021 BONDS]**

APPENDIX A

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
20__ ^(T)							
20__ ^(T)							
20__ ^(T)							

^(T) Term Bond.

^(C) Priced to optional call at [par] on September 1, 20__.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

APPENDIX B

OPINION OF SPECIAL COUNSEL

[Closing Date]

VIA OVERNIGHT MAIL

Piper Sandler & Co.
50 California Street, Suite 3100
San Francisco, California 94111

City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Re: City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021

Ladies and Gentlemen:

We have acted as counsel for the City of Rancho Cordova (the “City”) and the Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”), in connection with the purchase and sale of the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021 (the “Bonds”). As such Counsel, we have reviewed the Bond Purchase Agreement, dated [BPA Date] (the “Purchase Agreement”), by and between Piper Sandler & Co. (the “Underwriter”) and the City, the Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”) by and between the City and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), the City Continuing Disclosure Certificate, dated _____, 2021, executed by the City (the “City Continuing Disclosure Certificate”), the Preliminary Official Statement, dated [POS Date], relating to the Bonds (the “Preliminary Official Statement”), the Official Statement, dated [OS Date], relating to the Bonds (the “Official Statement”), Resolution No. _____ adopted by the City Council of the City on _____ (“Bond Resolution”), and such other documents, certificates, records and papers as we have deemed necessary to render the below opinions.

The Bonds, Fiscal Agent Agreement, Purchase Agreement, and the City Continuing Disclosure Certificate, are collectively referred to herein as the “Bond Documents.” Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement.

With your permission we have assumed, without undertaking to verify the same by independent investigation, the following: (a) the authenticity of original documents and the genuineness of all signatures (other than those of the City and the Community Facilities District); (b) the conformity to the originals of all documents submitted to us as copies; (c) the truth, accuracy, and completeness of the information, representations, and warranties contained in these documents, certificates, records and papers we have reviewed; and (d) compliance with all covenants and agreements contained in such documents.

Based on the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The City is a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State of California;

2. The Community Facilities District is duly organized and validly existing as a community facilities district under the Constitution and laws of the State;

3. The Bond Resolution was duly adopted at a meeting of the City Council, which meeting was duly called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

4. The preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly approved by the City Council, acting for itself or as the Legislative Body of the Community Facilities District;

5. The execution and delivery by the City of the Bond Documents, and the Bonds and the performance of its obligations thereunder have been duly authorized by all requisite action of the City Council, acting for itself or as the Legislative Body of the Community Facilities District, and the Bonds and the Bond Documents have been duly executed and delivered by the Community Facilities District, and constitute legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District, in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought;

6. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending or to the best of such counsel's knowledge, threatened in any way affecting the existence of the City or the Community Facilities District or the titles of the officers of each to their respective offices, or seeking to restrain or to enjoin the execution and delivery of the Bond Documents, or the issuance, sale or delivery of the Bonds or the application of the proceeds thereof or the collection or application of the Special Taxes, or the exclusion from gross income for State personal income taxes of interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Documents or any action of the City or the Community Facilities District contemplated by any of said documents or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the City or its authority with respect to the Purchase Agreement or any other applicable agreement, or any action on the part of the City or the Community Facilities District contemplated by any of said documents;

7. To the best of our knowledge, the City and the Community Facilities District are not in breach of or in default under any court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District is a party or is otherwise subject or bound, including the Bond Documents, a consequence of which could be to materially and adversely affect the ability of the City or the Community Facilities District to perform their obligations under the Bonds, the Bond Documents or which, with the passage of time or the giving of notice or both, would constitute an event of default thereunder; and;

8. To the best of our knowledge, the adoption of the Bond Resolution and the execution and delivery of the Bonds and the Bond Documents, did not and will not conflict with or constitute a breach of or default under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District, as the case may be, is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of City or the Community Facilities District to perform their obligations under the Bonds or any Bond Documents.

The opinions set forth above are subject to the following additional qualifications:

General principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and limitations imposed by bankruptcy, insolvency, fraudulent conveyance, receivership, conservatorship, reorganization, arrangement, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general heretofore or hereafter enacted, as such laws may be applied in the event of bankruptcy, insolvency, reorganization, arrangement, receivership, conservatorship, liquidation, readjustment of debt or other similar proceedings of, or moratorium or similar occurrence affecting municipal corporations in the State.

We express no opinion as to matters governing by laws other than the laws of the State and the federal laws of the United States of America, or the enforceability of any choice of law provision in the documents described herein.

This opinion is solely for your benefit in connection with the transactions covered by the first paragraph of this letter and may not be relied upon or used by, circulated, quoted or referred to, nor may copies hereof be delivered to, any other person or for any other purpose without our prior written approval; provided, however, copies of this opinion may be included in the closing transcripts for the transactions connected with the issuance of the Bonds. We disclaim any obligation to update this opinion letter for events occurring or coming to our attention after the date hereof.

Respectfully submitted,

JONES HALL, A PROFESSIONAL CORPORATION

APPENDIX C

**CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021**

CLOSING CERTIFICATE OF THE CITY

I, the undersigned, hereby certify that I am the _____ of the City of Rancho Cordova (the “City”), the City Council (the “City Council”) of which is the Legislative Body for Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”), a community facilities district duly organized and existing under the laws of the State of California (the “State”) and I am authorized to execute this Certificate on behalf of the City in connection with the issuance of the above-captioned bonds (the “Bonds”). All capitalized terms herein not otherwise defined shall have the meanings given such terms in the Bond Purchase Agreement (the “Bond Purchase Agreement”), dated [BPA Date], by and between the City and Piper Sandler & Co.

I further certify on behalf of the City that:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Agreement, made on behalf of the City and the Community Facilities District, are true and correct in all material respects on and as of the date hereof as if made on the date hereof;

(ii) The Community Facilities District Resolutions, Formation Documents and the City Documents are in full force and effect and have not been amended, modified or supplemented;

(iii) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or by any court or regulatory agency, public board or body pending, with respect to which the City or the Community Facilities District has been served with process, or to the best knowledge of the City or the Community Facilities District, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of their officers to their respective offices, (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the levy or collection of the Special Taxes or any other moneys or property pledged or to be pledged under the Fiscal Agent Agreement, or the pledge thereof, (c) in any way question or affect any of the rights, powers, duties or obligations of the City or the Community Facilities District with respect to the Special Taxes or moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds, (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds or the proceedings relating to the issuance of the Bonds, or (e) in any way question or affect the Bond Purchase Agreement or the transactions contemplated thereby, the Official Statement or the City Documents;

(iv) The information in the Preliminary Official Statement (other than statements pertaining to the book-entry system and under the headings “THE DISTRICT – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, and in the Official Statement (other than statements pertaining to the book-entry system and under the headings “THE DISTRICT – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, true and correct in all material respects and does not contain any

untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) The City has complied with all agreements and covenants, and satisfied all conditions, on its part to be complied with or satisfied under the Bond Purchase Agreement and under the Community Facilities District Resolutions, the Formation Documents, the City Documents and the Official Statement at or prior to the date hereof;

(vi) No event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date hereof any statement or information contained in the Preliminary Official Statement or the Official Statement (other than statements pertaining to the book-entry system and under the headings "THE DISTRICT – Development in the District," as to which no view is expressed) or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect;

(vii) The use of and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds is hereby ratified; and

(viii) The City and the Community Facilities District are each in compliance with all covenants set forth in the Fiscal Agent Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: [Closing Date]

CITY OF RANCHO CORDOVA

By: _____

Its: _____

APPENDIX D

U.S. BANK NATIONAL ASSOCIATION CERTIFICATE

The undersigned is an authorized officer of U.S. Bank National Association (the “Bank”), and as such, is familiar with the facts herein certified and is authorized and qualified to state and certify the following:

(i) The Bank is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to accept and perform its duties under the Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”) by and between the City and the Bank, as fiscal agent. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Bond Purchase Agreement, dated [BPA Date], by and between the City and Piper Sandler & Co.;

(ii) Pursuant to the Fiscal Agent Agreement, the Bank will apply the proceeds from the Bonds to the purposes specified in the Fiscal Agent Agreement;

(iii) The Bank is duly authorized to accept the obligations created by the Fiscal Agent Agreement and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement;

(iv) The Fiscal Agent Agreement has been duly authorized, executed and delivered by the Bank and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitutes a valid and binding agreement of the Bank enforceable against the Bank in accordance with its terms;

(v) The Bonds have been validly authenticated and delivered by the Bank pursuant to the Fiscal Agent Agreement;

(vi) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Bank that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Bank of the other transactions contemplated to be performed by the Bank in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement;

(vii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body that has been served on the Bank or, to the best of its knowledge, threatened in any way affecting the existence of the Bank, or seeking to restrain or to enjoin the execution and delivery of the Fiscal Agent Agreement or the authentication of the Bonds, by the Bank, or in any way contesting or affecting the validity or enforceability, as against the Bank, of the Fiscal Agent Agreement or any action of the Bank contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement;

(viii) The Bank is not in breach of or in default under any applicable law or administrative rule or regulation of the State of California (the “State”) or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement (*provided, however*, that the Bank does not certify as to compliance with State or federal securities laws); and

(ix) The authentication of the Bonds, and the execution and delivery of the Fiscal Agent Agreement by the Bank, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, Fiscal Agent Agreement, contract, agreement or other instrument to which the Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement.

Dated: [Closing Date]

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Officer

APPENDIX E

FISCAL AGENT'S COUNSEL OPINION

[Closing Date]

City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
Rancho Cordova, California

Piper Sandler & Co.
El Segundo, California

Re: \$7,105,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021

Ladies and Gentlemen:

We have acted as counsel for U.S. Bank National Association, a national banking association (the "Bank") in connection with the execution by the Bank of the Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the "Fiscal Agent Agreement") by and between the City and the Bank, as fiscal agent. We are generally familiar with the Articles of Association and the Bylaws of the Bank and are also familiar with the corporate proceedings of the Bank with regard to its authorization, execution and delivery of the Fiscal Agent Agreement. Capitalized terms used herein shall have the respective meanings ascribed to them in the Fiscal Agent Agreement, except as otherwise defined herein.

We have examined such documents and have reviewed such questions of law as we have considered necessary and appropriate for the purposes of this opinion. In such review, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with originals of all documents submitted to us as copies. Where questions of fact material to our opinions expressed below were not established independently, we have relied upon statements of officers of the Bank as contained in their certificates.

Based upon the foregoing, we are of the opinion that:

1. The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America.
2. The Bank has all requisite corporate power, authority and legal right to execute and deliver the Fiscal Agent Agreement and to perform its duties and obligations under the Fiscal Agent Agreement, and has taken all necessary corporate action to authorize the execution and delivery thereof and the performance of its obligations thereunder, including the authentication and delivery of the Bonds in its capacity as Fiscal Agent under the Fiscal Agent Agreement.

3. The Bank has duly authorized, executed and delivered the Fiscal Agent Agreement. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Fiscal Agent Agreement is a legal, valid and binding agreement of the Bank, enforceable in accordance with its terms against the Bank.

4. To our knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Bank that has not been obtained by the Bank is required for the authorization, execution and delivery by the Bank of the Fiscal Agent Agreement or the authentication and delivery of the Bonds by the Bank under the Fiscal Agent Agreement.

The opinions set forth above are subject to the following qualifications and exceptions:

(a) the opinions are subject to the effect of any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws of general application affecting creditors' rights; and

(b) the opinions are subject to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing, and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

Our opinions expressed above are limited to the laws of the State of California and the federal laws of the United States of America.

The foregoing opinions are being furnished to you solely for your benefit and may not be relied upon by, nor may copies be delivered to, any other person without our prior written consent.

Very truly yours,

APPENDIX F

**CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021**

CERTIFICATE OF SPECIAL TAX CONSULTANT

The undersigned hereby states and certifies:

1. That he is an authorized officer of Goodwin Consulting Group, Inc. (the “Special Tax Consultant”) and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Special Tax Consultant has prepared the Rate and Method of Apportionment of Special Tax (the “Rate and Method”) as set forth in Appendix A to the Official Statement dated [OS Date], for the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”) Special Tax Bonds, Series 2021 (the “Bonds”). Capitalized terms not otherwise defined herein shall be defined as provided in the Rate and Method or the Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”) by and between the City and U.S. Bank National Association, as fiscal agent.

3. That the Special Taxes, if levied in accordance with the Rate and Method and collected will annually yield sufficient revenue to make timely payments of the annual debt service on the 2019 Bonds and the Bonds, and annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Fiscal Agent for the 2019 Bonds and the Bonds (no representation is made as to the actual amounts that will be collected in future years).

4. That the Annual Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the Closing Date (net of estimated Administrative Expenses equal to a maximum of \$31,212 for Fiscal Year 2020-21 (subject to inflation at 2.00% per Fiscal Year effective for Fiscal Year 2020-21)), would generate at least 110% of the Annual Debt Service payable with respect to the 2019 Bonds and the Bonds payable from such Special Taxes, assuming the debt service schedule shown in the Official Statement is true and correct.

5. That the aggregate value of all parcels in the Community Facilities District subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the Bonds, as determined by an MAI appraisal, is at least 3.00 times the sum of (1) the aggregate principal amount of all the 2019 Bonds then Outstanding, plus (2) the aggregate principal amount of the Bonds proposed to be issued, plus (3) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the Community Facilities District, plus (4) a portion of the aggregate principal amount of all bonds issued under the Act, other than Bonds then Outstanding, payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within the Community Facilities District (the “Other Mello-Roos Bonds”) equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on parcels of land within the Community Facilities

District subject to the Special Tax, and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land subject to the Special Tax against which the special taxes are levied to pay the Other Mello-Roos Bonds (such fraction to be determined based upon the special taxes which could be levied the year in which maximum annual debt service on the Other Mello-Roos Bonds occurs), based upon information from the Summary of Overlapping Debt table shown in the Official Statement and the most recent available Fiscal Year.

6. That all information supplied by the Special Tax Consultant for use in the Official Statement is true and correct, as of the date of the Official Statement and as of the date hereof.

7. That, as of the dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, the information contained in those portions of the Official Statement entitled "SECURITY FOR THE 2021 BONDS – Special Taxes and – Special Tax Formula," "THE DISTRICT," "CONTINUING DISCLOSURE," "APPENDIX A," including the tables sourced to the Special Tax Consultant, and the other data provided by the Special Tax Consultant and included in the Official Statement, do not, to our knowledge, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

8. The Community Facilities District, the City, the Underwriter, Piper Sandler & Co., and all the professionals involved in the financing are entitled to rely on this Certificate.

Dated: [Closing Date]

GOODWIN CONSULTING GROUP

By: _____

Title: _____

APPENDIX G

**CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021**

CERTIFICATE OF PROPERTY OWNER

[POS Date]

The undersigned party certifies and represents that it is duly authorized on behalf of LENNAR HOMES OF CALIFORNIA, INC., a California corporation (the "Property Owner"), to execute and deliver this certificate (this "Certificate") in connection with the issuance, sale and delivery by City of Rancho Cordova of the Bonds captioned above (the "Bonds").

Capitalized terms used but not defined in this Certificate have the same meaning as is set forth in the Bond Purchase Agreement with respect to the Bonds between Piper Sandler & Co., as underwriter (the "Underwriter"), and the City.

As used in this Certificate, the phrase "Actual Knowledge of the Undersigned" means the actual knowledge (as opposed to constructive) that the undersigned currently has as of the date of this Certificate or has obtained through (i) interviews with such current officers and responsible employees of the Property Owner as the undersigned has reasonably determined are likely, in the ordinary course of his or her respective duties, to have knowledge of the matters set forth in this Certificate, and (ii) review of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Certificate. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Property Owner's current business and operations. The undersigned has not contacted individuals who are no longer employed by the Property Owner. The Property Owner further notes that Lennar Corporation, a Delaware corporation ("Lennar Corporation") completed a merger with CalAtlantic Group, Inc., a Delaware corporation ("CalAtlantic") in February, 2018, pursuant to which CalAtlantic merged with and into a subsidiary of Lennar Corporation, with the subsidiary of Lennar Corporation being the surviving entity. Separate and apart from Lennar Corporation's due diligence efforts for purposes of completing the acquisition of CalAtlantic, for purposes of this Certificate, individuals who were employees and officers of CalAtlantic and its subsidiaries prior to the merger have not been consulted or contacted and documents entered into by CalAtlantic and its subsidiaries or related to their properties and projects have not been reviewed.

As used in this Certificate, the term "Relevant Entity" of the Property Owner means any Person presently directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to Property Owner's proposed development of the Property (defined herein), or to the Property Owner's ability to pay the Special Taxes prior to delinquency). As used in this Certificate, the term "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a

government or political subdivision thereof. For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

As used in this Certificate, the term “Property” means the real property currently owned by the Property Owner within the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”), as further described in the Preliminary Official Statement.

The undersigned certifies that he or she is familiar with the facts set forth in this Certificate, and further hereby certifies to the Actual Knowledge of the Undersigned as follows, as an authorized offer or representative of Property Owner:

(1) The Property Owner has been duly organized and validly exists in good standing under the laws of the State of California and has or will have prior to the Closing, as required, all requisite right, power and authority:

(i) to execute and deliver this Certificate,

(ii) to execute and deliver the Property Owner Continuing Disclosure Certificate at Closing,

(iii) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(iv) to carry on its business as described in the Preliminary Official Statement, and

(v) to perform its obligations under the Property Owner Continuing Disclosure Certificate.

(2) The Property Owner agrees to execute at Closing the Property Owner Continuing Disclosure Certificate substantially in the form attached to the Preliminary Official Statement under Appendix F, with such additional changes as may be agreed upon by the Underwriter, Bond Counsel and the Property Owner.

(3) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, Property Owner is not aware of any material failures by it or any entity under managerial control of Property Owner to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it or its Relevant Entities to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five (5) years.

(4) To the Actual Knowledge of the Undersigned, execution and delivery of the Property Owner Continuing Disclosure Certificate, and the performance by the Property Owner of its obligations under the Property Owner Continuing Disclosure Certificate, will not conflict with or constitute a breach of or default under any loans, lines of credit,

agreements, or other contractual or financial obligations of the Property Owner, or any applicable law, regulation, judgment or decree.

(5) To the Actual Knowledge of the Undersigned, neither the Property Owner nor any of its Relevant Entities is currently in material default on any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or in breach of any applicable law, regulation, judgment or decree, and no event has occurred and is continuing that would constitute such a default or breach, the result of which could reasonably be expected to materially and adversely affect the ability of the Property Owner:

(i) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) to carry on its business as described in the Preliminary Official Statement, or

(iv) to perform its obligations under the Property Owner Continuing Disclosure Certificate.

(6) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Property Owner has not assumed any obligations under any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or any applicable judgment or decree, which could reasonably be expected to materially and adversely affect the ability of the Property Owner:

(i) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) to carry on its business as described in the Preliminary Official Statement, or

(iv) to perform its obligations under the Property Owner Continuing Disclosure Certificate.

(7) Except as described in the Preliminary Official Statement, the Property Owner does not have any loans outstanding and unpaid and no lines of credit that are secured by the Property.

(8) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither the Property Owner nor any of its Relevant Entities is currently in default in, or, in the last five (5) years, has ever defaulted to any material extent in, the payment of special taxes or assessments in connection with the Community Facilities District or any other community facilities districts or assessment districts in California that was not cured prior to the institution of any enforcement action with a court of law.

(9) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there is no litigation, inquiry, investigation or administrative proceeding of any nature pending against the Property Owner (with service of process to the Property Owner having been accomplished), or to the Actual Knowledge of the Undersigned, overtly threatened in writing against the Property Owner, or to the Actual Knowledge of the Undersigned, pending (with service of process to such Relevant Entity having been accomplished) or overtly threatened in writing against any Relevant Entity of the Property Owner, in each case which, if successful, could reasonably be expected to:

(i) materially and adversely affect the ability of the Property Owner to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) materially and adversely affect the ability of the Property Owner to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) materially and adversely affect the ability of the Property Owner to carry on its business as described in the Preliminary Official Statement,

(iv) materially adversely affect the ability of the Property Owner to perform its obligations under the Property Owner Continuing Disclosure Certificate,

(v) challenge, question the validity or enforceability of, or restrain or enjoin the performance of, the Special Taxes, the Bonds, the Resolution, the Fiscal Agent Agreement, the Property Owner Continuing Disclosure Certificate or the Bond Purchase Agreement, or

(vi) restrain or enjoin collection of Special Taxes or other sums to be pledged to pay the principal of and interest on the Bonds.

(10) Except as disclosed in the Preliminary Official Statement or in this Certificate:

(i) the Property Owner and, to the Actual Knowledge of the Undersigned, its Relevant Entities, are solvent;

(ii) except as set forth in this paragraph, neither the Property Owner nor, to the Actual Knowledge of the Undersigned, any of its Relevant Entities, has filed for bankruptcy or been declared bankrupt in the last 10 years provided, that Lennar Mare Island, LLC, a Relevant Entity of the Property Owner, was one of the twenty-two debtors in the June 2008 Landsource bankruptcy case, which has subsequently been discharged; and

(iii) to the Actual Knowledge of the Undersigned, there are no proceedings pending (with service of process to the Property Owner having been accomplished) or overtly threatened in writing in which the Property Owner or any of its Relevant Entities may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from any or all of its respective debts or obligations, be

granted an extension of time to pay its respective debts or obligations, or be granted a reorganization or readjustment of its respective debts or obligations.

(11) As of the date hereof, the information in the sections of the Preliminary Official Statement entitled “THE DISTRICT – Development in the District,” “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT,” and “CONTINUING DISCLOSURE,” concerning the Property Owner and its Relevant Entities, the Property, the Property Owner’s development and financing plans, and the Property Owner’s contractual arrangements (but excluding any information cited as coming from a source other than the Property Owner) is true and correct in all material respects, and contains no untrue statement of a material fact and does not omit any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(12) Except as disclosed in the Preliminary Official Statement, the Property Owner has not submitted an application for, nor received actual notice of,

(i) the formation or authorization of any other assessment district or community facilities district that would include any portion of the Property, or

(ii) the authorization or issuance of any debt secured by an assessment or another special tax to be levied on any portion of the Property, other than the Special Tax.

(13) Except as set forth in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there are no claims, disputes, lawsuits, actions or contingent liabilities of or against the Property Owner or its Relevant Entities, or among, by or between the Property Owner and any contractors working on the development of the Property, which could reasonably be expected to materially and adversely affect:

(i) the ability of the Property Owner to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) the ability of the Property Owner to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) the ability of the Property Owner to carry on its business as described in the Preliminary Official Statement, or

(iv) the ability of the Property Owner to perform its obligations under the Property Owner Continuing Disclosure Certificate.

(14) To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of, the Property Owner to (i) the Appraiser, as such information is set forth in the Appraisal, was, at the time of submission, and, except as modified by later information submitted by such Property Owner, is, as of the date of this Certificate, true and correct in all material respects, and (ii) the City, the Community Facilities District, Bond Counsel, Disclosure Counsel, or the Underwriter in connection with the issuance of the Bonds was, at the time of submission and, except as modified by later information submitted by such Property Owner, is as of the date of this Certificate, true and correct in all material respects.

(15) The Property Owner covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Property Owner will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way:

(i) seeks to challenge or overturn the formation of the Community Facilities District,

(ii) seeks to challenge the adoption of the ordinance levying Special Taxes within the Community Facilities District,

(iii) seeks to invalidate the Community Facilities District or any of the Bonds or any refunding obligations, or

(iv) seeks to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto.

The foregoing covenant shall not prevent the Property Owner in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity relating to the following:

(a) a claim that the Special Tax has not been levied in accordance with the Rate and Method,

(b) the application or use of the Special Taxes levied and collected, or

(c) the enforcement of the obligations of the City or the Community Facilities District under the Fiscal Agent Agreement or any agreements between the Property Owner and the City or the Community Facilities District or under which the Property Owner is a beneficiary.

(16) The Property Owner has received a copy of the Rate and Method containing the prepayment formula. The Property Owner acknowledges that any prepayment of the Special Taxes may only be made in accordance with the Rate and Method.

(17) The Property Owner shall comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in California Government Code Section 53341.5 in connection with the sale of the Property.

(18) Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, the Property Owner anticipates that it will have sufficient funds to (i) carry on its business as described in the Preliminary Official Statement, (ii) acquire, own, develop and sell the Property as described in the Preliminary Official Statement, and (iii) pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency.

However, no assurance can be given that sources of financing available to the Property Owner will be sufficient to complete the property development and home construction as currently anticipated and as described in the Preliminary Official Statement. While the Property Owner has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Property Owner nor any of its Relevant Entities has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of the Property Owner to provide internal financing in the past, the Property Owner has not represented in any way that it will do so in the future. If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete the Property Owner's planned development in the Community Facilities District and other financing by the Property Owner is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Property Owner and portions of the Property may not be developed.

(19) The Property Owner consents to the issuance of the Bonds. The Property Owner acknowledges and agrees that the proceeds of such Bonds will be used for the acquisition and construction of the improvements described in the Preliminary Official Statement. The Property Owner acknowledges that the costs to acquire and construct such improvements are estimates, and that any increase in costs in excess of the estimated costs relating to improvements will reduce the improvements which may be financed by the City, and neither the City, nor the Community Facilities District has any obligation to provide moneys to pay for any such costs.

(20) During the period between the date of this Certificate and the Closing Date, if the Property Owner has actual knowledge of any event relating to or affecting such Property Owner, its Relevant Entities, or the acquisition, ownership, development or sale of the Property which could cause the information under the captions of the Preliminary Official Statement indicated in Section 11 of this Certificate (and subject to the limitations and exclusions contained in Section 11 of this Certificate) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, such Property Owner shall notify the City and the Underwriter and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, such Property Owner shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

(21) For a period of 90 days after the Closing Date, if the Property Owner has actual knowledge of any event relating to or affecting the Property Owner, its Relevant Entities, or the acquisition, ownership development or sale of the Property which could cause the information under the captions of the Final Official Statement indicated in Section 11 of this Certificate (and subject to the limitations and exclusions contained in Section 11 of this Certificate) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Property Owner shall notify the City and the Underwriter and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Final Official Statement,

the Property Owner shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Final Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

(22) As a condition to the issuance of the Bonds, the Property Owner agrees to deliver a bring-down certificate, dated the Closing Date, in substantially the form attached as Appendix H to the Bond Purchase Agreement, to affirm and restate the Property Owner's certifications, representations and covenants made in this Certificate. If any event related to or affecting the Property Owner, its Relevant Entities or the acquisition, ownership, development or sale of the Property occurs, as a result of which it is necessary to modify the bring-down certificate, the Property Owner agrees to deliver a new bring-down certificate revised to reflect such event.

(23) The Property Owner acknowledges and agrees that:

(i) in connection with the purchase and sale of the Bonds under the Bond Purchase Agreement, and with the discussions, undertakings and procedures leading up to the consummation of the purchase and sale of the Bonds under the Bond Purchase Agreement, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of the Property Owner,

(iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Property Owner with respect to (a) the offering of the Bonds contemplated hereby or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Property Owner on other matters), or (b) any other obligation to the Property Owner with respect to the offering contemplated by the Bond Purchase Agreement, and

(iii) the Property Owner has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering contemplated by the Bond Purchase Agreement.

On behalf of the Property Owner, I have reviewed the contents of this Certificate and the Property Owner has consulted with counsel regarding the meaning of its contents. The Property Owner acknowledges and understands that a variety of state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Property Owner, and that under some circumstances certification as to the matters set forth in this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Property Owner under such laws.

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By:_____

Name:_____

Title:_____

APPENDIX H

§ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

BRING-DOWN CERTIFICATE OF PROPERTY OWNER

The undersigned party certifies and represents he or she it is duly authorized on behalf of LENNAR HOMES OF CALIFORNIA, INC., a California corporation (the “Property Owner”) to execute and deliver this certificate (this “Certificate”) in connection with the issuance, sale and delivery by City of Rancho Cordova of the Bonds captioned above (the “Bonds”).

This Bring-Down Certificate is delivered pursuant to the Bond Purchase Agreement with respect to the Bonds dated [BPA Date], between Piper Sandler & Co., as underwriter, and the City (the “Purchase Agreement”).

In connection with the distribution of the Preliminary Official Statement relating to the Bonds, the Property Owner executed a Certificate of Property Owner dated [POS Date] (the “Certificate”).

Capitalized terms used but not defined in this Bring-Down Certificate have the same meanings as set forth in the Purchase Agreement and the Certificate.

The undersigned, on behalf of the Property Owner, further certifies as follows:

(1) The undersigned is familiar with the facts certified in the Certificate and this Bring-Down Certificate, and is authorized and qualified to certify the same as an authorized officer or representative of the Property Owner.

(2) The undersigned has received the final Official Statement relating to the Bonds (the “Final Official Statement”).

(3) Each statement made in the Certificate is affirmed and restated as if made on the date hereof; provided that each statement made in the Certificate referring to the Preliminary Official Statement is affirmed as it relates to the Final Official Statement.

(4) To the Actual Knowledge of the Undersigned (as defined in the Certificate), no event has occurred since the date of the Preliminary Official Statement that has, in any material way, adversely affected the statements and information described in Paragraph 11 of the Certificate (and subject to the limitations and exclusions contained in Paragraph 11 of the Certificate) relating to the Property Owner and its Relevant Entities, the Property, the Property Owner’s development and financing plans, and the Property Owner’s contractual arrangements (but excluding any information cited as coming from a source other than the Property Owner), which should be disclosed in the Final Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Final Official Statement not misleading in any material respect.

(5) The Property Owner has duly executed and delivered the Property Owner Continuing Disclosure Certificate, and the Property Owner Continuing Disclosure Certificate constitutes the legal, valid and binding obligation of the Property Owner, enforceable against the Property Owner in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws relating to or affecting the rights of creditors and certain equitable, legal, or statutory principles affecting the enforcement of contractual rights generally, regardless of whether such enforcement is considered in a proceeding in equity or at law.

Dated: [Closing Date]

LENNAR HOMES OF CALIFORNIA, INC.,
a California corporation

By:_____

Name:_____

Title:_____

APPENDIX I

**CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021**

CERTIFICATE OF APPRAISER

Integra Realty Resources (the “Appraiser”), Rocklin, California prepared an appraisal of the properties within the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the “Community Facilities District”) dated _____, 2020 (the “Appraisal”). The Appraisal is described and summarized in the Preliminary Official Statement dated [POS Date] (the “Preliminary Official Statement”) and the Official Statement dated [OS Date] (the “Official Statement”), including as Appendix B thereto, relating to the bonds captioned above.

The Appraiser hereby certifies that, to the best of his knowledge and belief, all information with respect to the Appraisal in the Preliminary Official Statement and in the Official Statement was true and correct as of the date of the Appraisal and that the Appraiser is aware that acts and events may have occurred since the date of the Appraisal which could result in both positive and negative effects on market value; however, an updated Appraisal has not been completed as of this date.

The Appraiser hereby consents to the use of the Appraisal in connection with the distribution and use of the Preliminary Official Statement and Official Statement.

Dated: [Closing Date]

INTEGRA REALTY RESOURCES

By:_____

APPENDIX J

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (“Piper”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds.***

(a) Piper offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [BPA Date], between the Issuer and Piper, Piper agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Holding Period* means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Piper has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the City of Rancho Cordova.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [BPA Date].

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [Closing Date]

PIPER SANDLER & CO.

By: _____
Managing Director

SCHEDULE A
SALE PRICES

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX K

**CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021**

FORM OF PROPERTY OWNER’S COUNSEL OPINION

[Closing Date]

City of Rancho Cordova
Grantline 208 Communities Facilities District No. 2018-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Piper Sandler & Co.
50 California Street, Suite 3100
San Francisco, California 94111

**Re: City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1
Special Tax Bonds, Series 2021**

Ladies and Gentlemen:

We have acted as counsel to Lennar Homes of California, Inc. (the “Property Owner”) in connection with the issuance and sale by City of Rancho Cordova (the “City”) and the Grantline 208 Community Facilities District No. 2018-1 (the “District”) of \$_____ City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021 (the “Bonds”). This opinion is rendered pursuant to the Bond Purchase Agreement dated [BPA Date] (the “Bond Purchase Agreement”), entered into in connection therewith. Capitalized terms used herein without definition shall have the meanings set forth in the Bond Purchase Agreement.

In rendering the opinions set forth herein, we have reviewed and examined such documents as we have determined to be appropriate, including the following documents:

- A. The Bond Purchase Agreement;
- B. The Preliminary Official Statement dated [POS Date] and the Official Statement dated [OS Date] (collectively, the “Official Statement”) for the offer and sale of the Bonds;
- C. The Property Owner Continuing Disclosure Certificate, dated [Closing Date] (the “Property Owner Continuing Disclosure Certificate”) by the Property Owner; and

D. The Bring-Down Certificate of Property Owner provided by Property Owner to the City and Underwriter pursuant to Section 3 of the Bond Purchase Agreement (the "Property Owner Closing Certificate").

With respect to factual matters underlying our opinions herein, we have made no independent investigation or inquiry and have relied solely upon the Property Owner Closing Certificate. We advise you that the phrase "to our knowledge," as used herein, means that no facts have come to our attention, based upon an inquiry of attorneys in this firm who devote substantive legal attention to Property Owner, or as a result of our examination of the Property Owner Closing Certificate, that indicate to us anything contrary to the statement to which the phrase relates. Except as expressly set forth above, the phrase does not mean that we have conducted any investigation or inquiry or performed any other examination, or review. We have no reason to believe that any factual matters or assumptions relied upon by us are not true, correct and complete.

Our opinions herein are limited to the internal laws of the State of California and the federal laws of the United States of America. We express no opinion whatsoever with respect to the laws of any other jurisdiction and assume no responsibility for the applicability of such laws. In rendering our opinions herein, we have assumed the following, with your approval:

(i) The genuineness and authenticity of all signatures on original documents submitted to us (other than any signatures on behalf of Property Owner); the authenticity and completeness of all documents submitted to us as originals; the conformity to originals of all documents submitted to us as copies; where any signature, other than any signature on behalf of Property Owner purports to have been made in a corporate, governmental, fiduciary or other capacity, the person who affixed such signature had the full power and authority to do so;

(ii) The due authorization, execution and delivery of the applicable agreements by the parties thereto, other than the Property Owner, and the legality, validity, binding effect and enforceability against such parties of their respective obligations under such agreements;

(iii) The truth, accuracy and completeness of all factual representations and warranties of all parties under the documents described in paragraphs A through D, above;

(iv) The constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue unless a reported decision in the State of California has specifically addressed but not resolved, or has established, its unconstitutionality or invalidity; and

(v) All official public records relied upon by us are accurate and complete.

Based upon the foregoing and in reliance thereon, and based on our examination of such questions of law as we have deemed appropriate under the circumstances, and subject to any further assumptions, comments, exceptions, qualifications and limitations set forth below, as of the date hereof, it is our opinion that:

1. The Property Owner is a California corporation validly existing and in good standing as a corporation under the laws of the State of California. The Property Owner is qualified to do business in the State of California.

2. The Property Owner Continuing Disclosure Certificate has been duly authorized, executed and delivered by Property Owner, and constitutes legal, valid and binding obligations of the Property Owner, enforceable against the Property Owner in accordance with its terms.

3. To our knowledge, the execution and delivery by Property Owner of the Property Owner Continuing Disclosure Certificate and the performance of its obligations thereunder do not and will not result in a violation or any provision of, or in default under any agreement or other instrument to which Developer is a party.

4. To our knowledge, Property Owner is not in violation of any provision of or in default under, its organizational documents or any agreement or other instrument, violation or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of the Property Owner with respect to Property Owner's ability to develop real property owned by Property Owner within the District.

5. To our knowledge, except as set forth in the Official Statement, there are no actions, suits or proceedings pending or threatened against Property Owner which, if determined adversely, would have a material adverse effect (a) on the ability of Property Owner to perform its obligations under the Property Owner Continuing Disclosure Certificate or (b) on the development, construction, use, occupancy or operation of the Development or a material portion thereof.

6. Without having undertaken to independently determine the accuracy, completeness or fairness of the discussion contained in the Official Statement under the captions "THE DISTRICT," "THE IMPROVEMENTS," "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT," "CONTINUING DISCLOSURE," and "SPECIAL RISK FACTORS" (except that no opinion or belief is expressed as to any information relating to The Depository Trust Company, or any information relating to CUSIP numbers, or with respect to any financial, statistical or engineering information, data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, assessed valuations or appraised values, or to any information which is attributable to a source other than Property Owner, contained in the Official Statement), no facts came to our attention during the course of our representation of Property Owner that would lead us to believe that the information under said captions of the Official Statement relating to the Property Owner and the Property Owner's organizations, activities, properties and financial condition, and its proposed development of the property, contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In addition, all of our opinions expressed hereinabove are specifically subject to and limited by the following:

(a) We express no opinion as to matters governed by any laws other than the substantive laws of California which are in effect as of the date hereof, and we assume no obligation to modify or supplement this opinion with respect to changes in such laws after the date hereof.

(b) As counsel to the Property Owner in this matter, we have not rendered financial advice to the Property Owner and do not represent, by this opinion or otherwise, that we have reviewed or made any assessment about, nor do we offer any opinion about, the

financial condition of the Property Owner, past, present or future; nor have we reviewed the financial feasibility of this transaction or those matters which the proceeds of the Bonds will fund or any of its components and, accordingly, we offer no opinion whatsoever regarding such financial feasibility.

(c) The effect of laws or court decisions relating to bankruptcy, insolvency, fraudulent conveyance, equitable subordination, reorganization, arrangement, moratorium or other laws or court decisions relating to or affecting creditors' rights generally.

(d) Limitations imposed by California or federal law or equitable principles upon the availability of the remedy of specific performance of any of the remedies, covenants or other provisions of any document or agreement and upon the availability of injunctive relief or other equitable remedies.

In addition, we express no opinion as to the title of the property within the District or any entitlements, permits, approvals or other assets relating to the Property Owner's development of its property as proposed in the Official Statement.

We express no opinion as to any matter other than as expressly set forth above, and, in conjunction therewith, specifically express no opinion concerning the application of or compliance with any federal securities law, including, but not limited to, the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, any state securities or "Blue Sky" law, or any federal, state or local tax law, as respecting the Bonds.

This letter is intended solely for your use in accordance with the Bond Purchase Agreement and may not be reproduced or filed publicly or relied upon for any other purpose by you or for any purpose whatsoever by any other party without the express written consent of the undersigned except that this Opinion may be copied and distributed as part of a closing book of the bond transaction documents, provided that such distribution shall not expand in any way the permitted uses of this letter.

We assume no responsibility for the effect of any fact or circumstance occurring subsequent to the date of this letter, including without limitation, legislative or other changes in the law. Further, we assume no responsibility to advise you of any facts or circumstances of which we become aware after the date hereof, regardless of whether or not they may affect our opinions herein. This opinion is given as of the date hereof and we assume no obligation to update our opinions herein after the date hereof.

Very truly yours,

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

NEW ISSUE-FULL - BOOK ENTRY

NOT RATED

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$ _____ *

CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

Dated: Date of Delivery**Due: September 1, as shown on inside cover**

Authority for Issuance. The above-captioned bonds (the "2021 Bonds"), are being issued by the City of Rancho Cordova (the "City") by and through its Grantline 208 Community Facilities District No. 2018-1 (the "District"). The 2021 Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Mello-Roos Act"), and are issued pursuant to a Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the "Fiscal Agent Agreement") by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). See "THE 2021 BONDS – Authority for Issuance."

Security and Sources of Payment. The 2021 Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) levied on property within the District according to a rate and method of apportionment of special tax, including from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes (as defined herein), and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. The taxable real property within the District consists of mostly undeveloped land planned primarily for single family residential development. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay such Special Tax even though financially able to do so.** To provide funds for payment of the 2021 Bonds and the interest thereon as a result of any delinquent installments, the City will establish a Reserve Fund from Bond proceeds, as described herein. The 2021 Bonds represent the second series of special tax bonds issued for the District and secured by the pledge of Special Tax Revenues, and additional parity bonds are expected to be issued in the future. See "SECURITY FOR THE 2021 BONDS."

Property in the District subject to the Special Tax is comprised of land in the City of Rancho Cordova, Sacramento County, California, entitled for development of 502 single-family homes, as well as public and quasi-public uses, parks and open space not subject to the Special Tax. As of November 16, 2020, 86 homes in the District were owned by individual homeowners, with the remainder of the land in the District owned (or under contract pursuant to a land-banking arrangement) by Lennar Homes of California, Inc. ("Lennar Homes"), which is the master developer of the project. See "THE DISTRICT."

Use of Proceeds. The 2021 Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities authorized for the District; (ii) make a deposit into the debt service reserve fund for the 2021 Bonds; and (iii) pay the costs of issuance of the 2021 Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the 2021 Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021. The 2021 Bonds will be issued in the denomination of \$5,000 or integral multiples of \$5,000 in excess thereof. The 2021 Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2021 Bonds. See "THE 2021 BONDS – Description of the 2021 Bonds" and "APPENDIX G – DTC and the Book-Entry Only System."

Redemption. The 2021 Bonds are subject to optional redemption, mandatory sinking fund redemption, and special mandatory redemption from prepaid Special Taxes. See "THE 2021 BONDS – Redemption."

THE 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES AND CERTAIN OTHER FUNDS AND AMOUNTS HELD BY THE FISCAL AGENT UNDER THE FISCAL AGENT AGREEMENT. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "BOND OWNERS' RISKS," SHOULD BE READ IN ITS ENTIRETY.

MATURITY SCHEDULE

(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of essential information about the 2021 Bonds. Potential investors should read this entire Official Statement to obtain information essential for making an informed investment decision. Investment in the 2021 Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the 2021 Bonds.

The 2021 Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, also serves as disclosure counsel to the City. Certain matters will be passed upon for the City by Meyers Nave, A Professional Law Corporation, Sacramento, California, as City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the 2021 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2021.

[PIPER LOGO]

The date of this Official Statement is: _____.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$ _____ Serial Bonds
(Base CUSIP†: _____)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† ()
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\$ _____ % Term Bond due September 1, _____, Yield: _____%, Price: _____%;
CUSIP† _____

† Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. None of the City, the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

CITY OF RANCHO CORDOVA

City Council

David M. Sander, Ph.D., Mayor
Garrett Gatewood, Vice Mayor
Linda Budge, Councilmember
Siri Pulipati, Councilmember
Donald Terry, Councilmember

Staff

Cyrus Abhar, City Manager
Kim Juran-Karageorgiou, Administrative Services Director
Stacy Leitner, City Clerk
Adam Lindgren of Meyers Nave, A Professional Law Corporation, City Attorney

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

NHA Advisors, LLC
San Rafael, California

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento, California

Appraiser

Integra Realty Resources
Sacramento, California

Fiscal Agent

U.S. Bank National Association
Seattle, Washington

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OFFICIAL STATEMENT

\$ _____ *

CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

This Official Statement, including the cover page and all appendices hereto, is provided to furnish certain information in connection with the issuance by the City of Rancho Cordova (the “City”), for and on behalf of its Grantline 208 Community Facilities District No. 2018-1 (the “District”), of the above-captioned bonds (the “**2021 Bonds**”).

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein shall have the meaning set forth in the Fiscal Agent Agreement. See APPENDIX C.

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2021 Bonds to potential investors is made only by means of the entire Official Statement.

Creation of the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$35,000,000 at a special election in the District held on October 1, 2018, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq.*, of the Government Code of the State of California) (the “**Mello-Roos Act**”) to finance the acquisition and/or construction of authorized public capital improvements.

The 2021 Bonds and Additional Parity Bonds. The 2021 Bonds are issued pursuant to the provisions of the Mello-Roos Act, a Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “**Fiscal Agent Agreement**”), between the City and U.S. Bank National Association, as fiscal agent (the “**Fiscal Agent**”), and a resolution adopted on _____, 2021 by the City Council of the City, which authorized the issuance of the 2021 Bonds (the “**Resolution**”).

* Preliminary; subject to change.

The 2021 Bonds represent the second series of special tax bonds issued for the District and secured by the pledge of Special Tax Revenues, and additional parity bonds ("**Additional Bonds**") are expected to be issued in the future. The initial series of special tax bonds issued for the District were the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2019 (the "**2019 Bonds**"), which were issued in the initial principal amount of \$7,105,000. Following issuance of the 2021 Bonds in the principal amount of \$5,950,000*, \$21,945,000* of the \$35,000,000 authorization for the District will remain. The 2021 Bonds, the 2019 Bonds and any Additional Bonds that may be issued in the future are sometimes collectively referred to herein as the "**Bonds**." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds."

Registration of Ownership of the 2021 Bonds. The 2021 Bonds are issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page hereof. Interest on the 2021 Bonds is payable on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing September 1, 2021. Ultimate purchasers of 2021 Bonds will not receive physical certificates representing their interest in the 2021 Bonds. So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the 2021 Bonds. Payments of the principal, premium, if any, and interest on the 2021 Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the 2021 Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G - DTC and the Book-Entry Only System."

Use of Proceeds. Proceeds of the 2021 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development in the District, including payment of fees related thereto (the "**Facilities**," as described herein). The Facilities consist generally of road and related improvements, including drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, park improvements (and/or fees to finance such improvements) and other miscellaneous infrastructure improvements necessary for development of property within the District. Proceeds of the 2021 Bonds will also be used to make a deposit in the Reserve Fund (defined herein), and pay the cost of issuance of the 2021 Bonds.

Security and Sources of Payment of the 2021 Bonds. The 2021 Bonds (as well as the 2019 Bonds and any Additional Bonds) are secured by, and payable from, "**Special Tax Revenues**," which are defined as the proceeds of the Special Taxes annually received by the City, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes. "**Special Taxes**" means the special tax levied on taxable real property within the boundaries of the District under the Rate and Method of Apportionment of Special Tax for the District (the "**Special Tax Formula**"), and "**Administrative Expense Priority**" means (i) for Fiscal Year 2019-20, \$30,000, and (ii) for each subsequent year, an amount equal to the preceding Fiscal Year's

* Preliminary; subject to change.

Administrative Expense Priority plus an additional 2% of such amount. For Fiscal Year 2021-22, the Administrative Expense Priority amount will be \$31,212.

The 2021 Bonds are also payable from amounts held in certain funds and accounts pursuant to the City, including the 2021 Reserve Account of the Reserve Fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the application of the Special Tax Formula, which is set forth in APPENDIX A hereto. The Special Taxes represent fixed liens on the parcels of land subject to a Special Tax of the District and failure to pay the Special Taxes could result in proceedings to foreclose title to the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of taxed parcels and no proceedings to collect directly from an owner is permitted. See "SECURITY FOR THE 2021 BONDS – Special Tax Formula" and "APPENDIX A – Rate and Method of Apportionment of Special Tax."

Pursuant to the Mello-Roos Act, the Resolution of Formation (as defined herein), and the Fiscal Agent Agreement, so long as any 2021 Bonds are outstanding, the City will annually levy the Special Tax against all taxable land within the District in accordance with the proceedings for the authorization and issuance of the 2021 Bonds and to make provision for the collection of the Special Tax in amounts which will be sufficient to pay interest on, principal of and redemption premium (if any) on the 2021 Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See "SECURITY FOR THE 2021 BONDS – Special Taxes" herein.

In connection with the issuance of the 2019 Bonds, the Fiscal Agent established a "**Reserve Fund**" for the special tax bonds to be issued under the Fiscal Agent Agreement. Each series of special tax bonds is secured by a separate reserve account within the Reserve Fund. Accordingly, in connection with the issuance of the 2021 Bonds, the Fiscal Agent will establish the "**2021 Reserve Account**," which will be funded in an amount equal to the Reserve Requirement (described herein) with respect to the 2021 Bonds. Amounts in the 2021 Reserve Account of the Reserve Fund are available for payment of the 2021 Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies. See "SECURITY FOR THE 2021 BONDS – Reserve Fund." If there are additional delinquencies after depletion of funds in the 2021 Reserve Account of the Reserve Fund, the City is not obligated to pay the 2021 Bonds, or supplement the 2021 Reserve Account. *The 2021 Bonds are not secured by amounts in any reserve account established for any other series of special tax bonds, including the 2019 Reserve Account that was established for the 2019 Bonds.*

Property Subject to the Special Tax. The District is comprised of approximately 208 acres located in the City in the western portion of Sacramento County (the "**County**") and is commonly known as the "Grantline 208" area, which is a portion of the Sunridge Specific Plan. The District has final subdivision map approval for the development of 502 detached residential lots with typical lot sizes projected to range from 4,725 to 5,775 square feet. All of the improvements in the District are being undertaken by Lennar Homes of California, Inc., a California corporation ("**Lennar Homes**" or the "**Developer**"), which has installed nearly all necessary backbone infrastructure and mapped 6 large lot "villages" for development. Five of the six villages have final maps in place (the remaining final map, for Village 5, is expected in June 2021), building permits have been issued in several of the villages, and 86 homes have been sold and closed to individual homeowners as of November 16, 2020. Lennar Corporation, a Delaware corporation ("**Lennar**"), is the parent company of Lennar Homes. For additional information on Lennar and Lennar Homes, as well as the number of individual homeowners in the District, see "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

Value of Property in the District. Property in the District is security for the Special Tax. The City ordered preparation of an appraisal report (the “**Appraisal**”) setting forth the estimated value of the taxable land within the District as of the November 16, 2020 date of value, prepared by Integra Realty Resources, Sacramento, California (the “**Appraiser**”). The Appraiser indicated a value estimate of \$94,109,661 as of the date of value, and subject to the conditions and qualifications set forth therein. The Appraisal is set forth in its entirety as APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. In considering the estimates of value evidenced by the Appraisal, it should be noted that the Appraisal is based upon a number of standard and special assumptions that affected the estimates as to value, in addition to the assumption of completion of the Facilities expected to be funded with the proceeds of the 2019 Bonds and the 2021 Bonds (but not any future Additional Bonds). See “VALUE OF PROPERTY WITHIN THE DISTRICT.”

The principal amount of the direct and overlapping debt in the District is \$14,348,226*, which consists of the estimated amount of 2019 Bonds and the 2021 Bonds (together, \$13,055,000*) and \$1,293,226* of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in the District subject to the Special Tax lien (\$94,109,661), is approximately 6.6* times the principal amount of the direct and overlapping debt in the District. This is an average, and individual parcels may have value-to-lien ratios that are substantially different. See “VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios.”

Risks of Investment; COVID-19 Pandemic. Investment in the 2021 Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS’ RISKS” for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2021 Bonds, including the potential impact of the ongoing COVID-19 pandemic.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the 2021 Bonds. The 2021 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement as described herein. The 2021 Bonds are special limited obligations of the City, and neither the City Council, the City nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the 2021 Bonds other than from the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement as described herein.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent

* Preliminary; subject to change.

Agreement. See “APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement.” The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

FINANCING PLAN

The 2021 Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the District (referred to herein as the Facilities); (ii) make a deposit into the 2021 Reserve Account of the Reserve Fund equal to the Reserve Requirement with the 2021 Bonds; and (iii) pay the costs of issuance of the 2021 Bonds.

A summary of the estimated sources and uses of funds associated with the sale of the 2021 Bonds follows:

Estimated Sources of Funds:

Principal Amount of the 2021 Bonds	\$
Plus/less: [Net] Original Issue Premium/Discount	
Total	\$

Estimated Uses of Funds:

Deposit to Improvement Fund	\$
Deposit to 2021 Reserve Account of Reserve Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Total	\$

(1) Equal to the Reserve Requirement with respect to the 2021 Bonds.

(2) Used to pay costs of issuance of the 2021 Bonds, including initial fees, expenses and charges of the Fiscal Agent, costs of printing the preliminary and final Official Statements, administrative fees of the City, Underwriter's discount, fees of Bond Counsel and Disclosure Counsel, and other costs of issuance.

THE 2021 BONDS

Authority for Issuance

The 2021 Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution adopted by the City Council on _____, 2021, and the Mello-Roos Act.

The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$35,000,000 at a special election in the District held on October 1, 2018 pursuant to the Mello-Roos Act. Under the provisions of the Mello-Roos Act, since there were fewer than 12 registered voters residing within the District at any point during the 90-day period preceding the adoption of the City's resolution forming the District on October 1, 2018 (the "**Resolution of Formation**"), the sole qualified elector was the developer/landowner who was entitled to cast one vote for each acre or portion of an acre of land owned within the District. The landowner voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Facilities, including repaying any indebtedness of the District, replenishing reserve funds and paying the administrative expenses of the District.

The 2021 Bonds are the second series of special tax bonds issued by the City for the District; the City expects to issue one or more additional series of bonds secured by the Special Tax of the District as development progresses, subject to the conditions set forth in the Fiscal Agent Agreement. See "SECURITY FOR THE 2021 BONDS – Additional Bonds."

Description of the 2021 Bonds

The 2021 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("**DTC**"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of 2021 Bonds will not receive physical certificates representing their interest in the 2021 Bonds. So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the 2021 Bonds. Payments of the principal, premium, if any, and interest on the 2021 Bonds will be made directly to DTC, or its nominee, Cede & Co., by U.S. Bank National Association, as the fiscal agent, registrar and transfer agent (the "**Fiscal Agent**") for the 2021 Bonds, so long as DTC or Cede & Co. is the registered owner of the 2021 Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC and the Book-Entry Only System."

The 2021 Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The principal of the 2021 Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Seattle, Washington, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the 2021 Bonds.

Interest on the 2021 Bonds, computed on the basis of a 360-day year consisting of twelve 30-day months, will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing

September 1, 2021. Interest on the 2021 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date (the "**Record Date**"), or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of 2021 Bonds; provided that so long as any 2021 Bonds are in book-entry form, payments with respect to such 2021 Bonds shall be made by wire transfer, or such other method acceptable by the Fiscal Agent, to DTC. See "APPENDIX G – DTC and the Book-Entry Only System."

Each 2021 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the dated date; provided, however, that if at the time of authentication of a 2021 Bond, interest is in default thereon, such 2021 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2021 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G - DTC and the Book-Entry Only System."

Redemption*

Optional Redemption. The 2021 Bonds are subject to optional redemption from any source of available funds (other than prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption from Prepayments. The 2021 Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

* Preliminary; subject to change.

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2020 through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

See “BOND OWNERS’ RISKS – Potential Early Redemption of Bonds from Prepayments” for a discussion of the potential for the 2021 Bonds to be priced with original issue premium and then be redeemed from Special Tax prepayments prior to maturity.

Mandatory Sinking Fund Redemption. The 2021 Bonds maturing September 1, 20__ and September 1, 20__ (the “**Term Bonds**”) are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

The amounts in the foregoing table shall be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2021 Bonds.

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2021 Bonds, upon the filing with the Fiscal Agent of an Officer’s Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer’s Certificate may provide, but in no event may 2021 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2021 Bonds designated for redemption, at their addresses appearing on the 2021 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption

and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2021 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2021 Bonds are to be called for redemption, shall designate the CUSIP numbers and bond numbers of the 2021 Bonds to be redeemed by giving the individual CUSIP number and number of each 2021 Bond to be redeemed or shall state that all 2021 Bonds between two stated numbers, both inclusive, are to be redeemed or that all of the 2021 Bonds of one or more maturities have been called for redemption, shall state as to any 2021 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2021 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2021 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 2021 Bonds. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2021 Bonds then called for redemption, and such cancellation shall not constitute an event of default.

Upon the payment of the redemption price of 2021 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2021 Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2021 Bonds of any maturity, the Fiscal Agent shall select the 2021 Bonds to be redeemed, from all 2021 Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate. Upon surrender of 2021 Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new 2021 Bond or 2021 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2021 Bond or 2021 Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2021 Bonds so called for redemption shall have been deposited in the Bond Fund, such 2021 Bonds so called shall cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of 2021 Bonds

So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2021 Bonds shall be made in accordance with DTC procedures. See APPENDIX G. Any 2021 Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2021 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2021 Bond or 2021 Bonds shall be surrendered for transfer or exchange, the City shall execute and the Fiscal Agent shall authenticate and deliver a new 2021 Bond or 2021 Bonds, for a like aggregate principal amount of 2021 Bonds of authorized denominations and of the same maturity. The cost for any

services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of 2021 Bonds shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2021 Bonds for redemption or (ii) with respect to a 2021 Bond after such 2021 Bond has been selected for redemption.

SECURITY FOR THE 2021 BONDS

The 2021 Bonds are secured, on a parity basis with the 2019 Bonds and any Additional Bonds issued in the future, by and payable from a first pledge of the proceeds of the **“Special Tax Revenues,”** defined in the Fiscal Agent Agreement as the proceeds of the Special Tax (as defined in the Special Tax Formula) received by the City, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes. **“Administrative Expense Priority”** means (i) for Fiscal Year 2019-20, \$30,000, and (ii) for each subsequent year, an amount equal to the preceding Fiscal Year’s Administrative Expense Priority plus an additional 2% of such amount. For Fiscal Year 2021-22, the Administrative Expense Priority amount will be \$31,212.

All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided in the Fiscal Agent Agreement, the Improvement Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. In addition, the 2021 Bonds are secured by a pledge of all amounts in the 2021 Reserve Account of the Reserve Fund, and each series of Additional Bonds may be secured by a reserve account within the Reserve Fund or a separate reserve fund, as provided in the applicable Supplemental Agreement for such Series. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts.

The Special Tax Revenues and all moneys deposited into said funds are pledged to the payment of the principal of, and interest and any premium on, the 2021 Bonds as provided in the Fiscal Agent Agreement and in the Mello-Roos Act until all of the 2021 Bonds have been paid and retired or until moneys or Federal Securities (as defined in the Fiscal Agent Agreement) have been set aside irrevocably for that purpose. The City may issue Additional Bonds secured on a parity with the 2021 Bonds, as described herein; see “–Additional Bonds” below.

Amounts in the Costs of Issuance Fund established under the Fiscal Agent Agreement are not pledged to the repayment of the 2021 Bonds. The Facilities are not in any way pledged to pay the debt service on the 2021 Bonds. Any proceeds of condemnation, destruction or other disposition of any Facilities are not pledged to pay the debt service on the 2021 Bonds and are free and clear of any lien or obligation imposed under the Fiscal Agent Agreement.

Special Taxes

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City through the application of the Special Tax Formula prepared by Goodwin Consulting Group, Inc., Sacramento, California (the **“Special Tax Consultant”**) and set forth in APPENDIX A hereto, for all taxable properties in the District. Interest and principal on the 2021 Bonds are payable from the annual Special Taxes to be levied

and collected on such property within the District, from amounts held in certain funds and accounts established under the Fiscal Agent Agreement and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Mello-Roos Act in a maximum amount determined according to the Special Tax Formula approved by the City. See “Special Tax Formula” below and “APPENDIX A - Rate and Method of Apportionment of Special Tax.”

The amount of Special Taxes that the District may levy in any year, from which principal and interest on the 2021 Bonds is to be paid, is limited by the maximum rates approved by the qualified electors within the District which are set forth as the “**Maximum Special Tax**” in the Special Tax Formula. Under the Special Tax Formula, Special Taxes will be levied annually in an amount not in excess of the Maximum Special Tax for the purpose of making payments on the 2021 Bonds. The Special Taxes and any interest earned on the Special Taxes shall constitute a trust fund for the principal of and interest on the 2021 Bonds pursuant to the Fiscal Agent Agreement and, so long as the amount levied for principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon shall not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and shall be held in trust for the benefit of the owners thereof and shall be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Special Tax Requirement (as defined in the Special Tax Formula and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Special Tax Formula. See “Special Tax Formula” below. See also “APPENDIX A – Rate and Method of Apportionment of Special Tax.”

The City may levy the Special Tax at the Maximum Special Tax rate authorized by the qualified electors within the District as set forth in the Special Tax Formula if conditions so require and the City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Special Tax Requirement (as defined below). Because each Special Tax levy for payment of the 2021 Bonds is limited to the Maximum Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Special Tax Requirement will in fact be collected in any given year. See “BOND OWNERS’ RISKS – Levy and Collection of the Special Tax” herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

In addition to the Maximum Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Mello-Roos Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

Special Tax Formula

The Special Tax authorized under the Mello-Roos Act applicable to land within the District will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula (defined terms set forth below in this section have the meanings set forth in the Special Tax Formula) set

forth in “APPENDIX A – Rate and Method of Apportionment of Special Tax.” The Special Tax will be levied each year from parcels within the District in an amount at least sufficient to pay debt service on outstanding Bonds and administrative expenses of the District. The Special Tax is expected to be collected at the same time and in the same manner as *ad valorem* property taxes. The City reserves the right to collect the taxes in another manner if required to meet annual obligations of the District.

Each year, the City will determine the Special Tax Requirement of the District for the upcoming Fiscal Year. The “**Special Tax Requirement**” is defined in the Special Tax Formula as the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds which are due in the calendar year which begins in such Fiscal Year, (ii) to pay periodic costs for the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) to replenish reserve funds to the extent such replenishment was not included in the computation of the Special Tax Requirement in a previous Fiscal Year, (iv) to 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) to pay Administrative Expenses, and (v) to pay directly for Authorized Facilities, so long as such levy under this clause (v) does not increase the Special Tax on Undeveloped Property (as defined in the Special Tax Formula). The Special Tax Requirement components in clauses (i) and (ii) 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 debt service pursuant to the Indenture, Bond resolution, or other legal document that set forth these terms, (b) in the sole and absolute discretion of the City, proceeds received by the City from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs as determined by the City.

Parcels Subject to the Special Tax. The City will prepare a list of the parcels subject to the Special Tax using the records of the City and the County Assessor. The City has the authorization to tax all parcels within the District except tax-exempt parcels as described in the Special Tax Formula. Taxable parcels that are acquired by a public agency after the District is formed will remain subject to the Special Tax unless a “trade” resulting in no loss of Special Tax revenue can be made, as described in the Special Tax Formula.

Assignment of Maximum Special Tax. The Special Tax Formula describes in detail the precise method for assigning the Maximum Special Tax to parcels within the District, which generally provides that each year the City will use the definitions contained in the Special Tax Formula to classify each parcel as tax-exempt or taxable.

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 of the Special Tax Formula. In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in the District 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 City shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that applies 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.

Levy of Special Tax. Once the Special Tax Requirement has been determined for a particular Fiscal Year, the Special Tax will be levied according to the following steps:

(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 until the amount levied is equal to the Special Tax Requirement, prior to applying any Capitalized Interest that is available.

(2) If additional revenue is needed after Step 1 in order to meet 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.

(3) If additional revenue is needed after Step 2 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 Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel.

(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.

(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.

Maximum Special Tax Rates. 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 to the Special Tax Formula which is reproduced below, or, (ii) the Maximum Special Tax determined pursuant to Section D of the Special Tax Formula. For additional details, see APPENDIX A.

Development Status	Land Use	Lot Type Category	FY 2020-21 Maximum Special Tax ⁽¹⁾⁽²⁾
Developed and Final Map Property	Expected Single Family Detached Property	Lot Type A ⁽³⁾	\$2,548.98 per SFD Lot
	Expected Single Family Detached Property	Lot Type B ⁽⁴⁾	\$2,080.80 per SFD Lot
	Other Taxable Residential Property	N/A	See Footnote ⁽⁵⁾
	Non-Residential Property	All Commercial and Industrial Designations	\$14,598.89 per Acre
Undeveloped Property	N/A	N/A	\$14,598.89 per Acre

(1) On July 1, 2021 and each July 1 thereafter, the Maximum Special Taxes shall be increased by 2% of the amount in effect in the previous Fiscal Year.

(2) Represents the Maximum Special Tax rates based on currently-expected land uses in the CFD. Subject to change pursuant to Section D of the RMA.

(3) The Special Tax Formula defines Lot Type A as an SFD Lot designated on a tentative map or final map as a lot with expected dimensions of 55 feet by 105 feet regardless of the actual dimensions of the SFD Lot.

(4) The Special Tax Formula defines Lot Type B as an SFD Lot designated on a tentative map or final map as a lot with expected dimensions of 45 feet by 105 feet regardless of the actual dimensions of the SFD Lot.

(5) Tax per Residential Unit = (\$14,598.89 per Acre * Acreage of Parcel) / # of Residential Units on Parcel.

Source: Goodwin Consulting Group, Inc.

In addition to the Maximum Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Mello-Roos Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

Termination of the Special Tax. The Special Tax will be levied until all Bonds have been repaid and all authorized facilities have been funded; however, Special Taxes cannot be levied under any circumstance after Fiscal Year 2064-65.

Prepayment of the Special Tax. The Special Tax obligation assigned to a particular parcel within the District can be prepaid, which will release the parcel making the prepayment from the Mello-Roos special tax lien. Section H of the Special Tax Formula sets forth a detailed formula by which the prepayment for a parcel can be calculated. Proceeds of such prepayment will be used to redeem a portion of the Bonds. See “THE 2021 BONDS – Redemption.”

Special Tax Fund

When received, the Special Tax Revenues are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Within the Special Tax Fund, the City will establish and maintain two accounts, (i) the Debt Service Account, to the credit of which the City will deposit, immediately upon receipt, all Special Tax Revenues, and (ii) the Surplus Account, to the credit of which the City will deposit surplus Special Tax Revenue as described below. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds. Notwithstanding the foregoing, the City may semi-annually transfer from the Special Tax Fund so held an amount equal to one-half of the Administrative Expense Priority as necessary for the payment of Administrative Expenses up to the Administrative Expense Priority.

All Special Tax Revenue will be deposited in the Debt Service Account upon receipt. No later than 10 Business Days prior to each Interest Payment Date, the City will withdraw from the Debt Service Account of the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein, is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, including any mandatory sinking fund payments, premium, if any, and interest due on the Bonds on the next Interest Payment Date. At such time as deposits to the Debt Service Account equal the principal, including any mandatory sinking fund payments, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the balance of the Reserve Fund to the Reserve Requirement, the amount in the Debt Service Account in excess of such amount may, at the discretion of the City, be transferred to the Surplus Account, which will occur on or after September 15th of each year.

Moneys in the Surplus Account may, at the City's discretion, be transferred to the Improvement Fund to pay for costs of the Facilities, to pay the principal of, premium, if any, and interest on the Bonds or to replenish the Reserve Fund to the amount of the Reserve Requirement, but are not pledged to payment of the Bonds. See “–Assignment of Maximum Special Tax” above.”

Deposit and Use of Proceeds of 2021 Bonds

The 2021 Bonds are additionally secured by certain amounts generated from proceeds of the 2021 Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. The proceeds of the initial purchase of the 2021 Bonds shall be paid to the Fiscal Agent, who shall deposit such proceeds in the 2021 Costs of Issuance Fund, the Improvement Fund, and the Reserve Fund established under the Fiscal Agent Agreement. See APPENDIX C for information on use of the moneys, including investment earnings thereon, in the various funds established under the Fiscal Agent Agreement. See also “– Reserve Fund” and “– Improvement Fund” below.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City’s option, the Special Taxes may be billed directly to property owners. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Mello-Roos Act to order institution of an action in superior court to foreclose the lien therefore.

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the 2021 Bonds that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in such Fiscal Year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided*, that if the City determines on the basis of such review that

(a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or

(b) that property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided in the Fiscal Agent Agreement against each such property owner.

Under the Mello-Roos Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price which will be sufficient to pay or reimburse the delinquent Special Taxes.

The owners of the 2021 Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the 2021 Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Additionally, it is possible that no bids are received at a foreclosure sale. Provided that it is not levying the Special Tax at the Maximum Special Tax rates set forth in the Special Tax Formula, the City may adjust the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the 2021 Bonds, and to replenish the Reserve Fund, provided however such adjustment may not exceed the Maximum Special Tax or include an increase as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived, and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Mello-Roos Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See "VALUE OF PROPERTY WITH THE DISTRICT - Priority of Lien."

Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the "**Teeter Plan**," is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually the full amount of their shares of property taxes and other impositions collected on the secured roll, including delinquent property taxes which have yet to be collected. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

The Board of Supervisors of Sacramento County has adopted the Teeter Plan, and the County elects to apply its Teeter Plan to the collection of the Special Taxes annually. As such, the Teeter Plan has been applicable since the initial year of a Special Tax levy, but no assurance can be given that it will continue in any or all of the years that the 2021 Bonds are outstanding. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and to the extent the County does not discontinue the Teeter Plan with respect to the City or the District, the County's Teeter Plan may help protect owners of the 2021 Bonds from the risk of delinquencies in the payment of Special Taxes. *However, there can be no assurance that the*

County will not modify or eliminate its Teeter Plan, or choose to remove the District from its Teeter Plan permanently in any year while the 2021 Bonds are outstanding.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless, prior to the commencement of a Fiscal Year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a Fiscal Year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Reserve Fund

In connection with the issuance of the 2019 Bonds, the Fiscal Agent established the Reserve Fund under the Fiscal Agent Agreement. Each series of special tax bonds is secured by a separate reserve account within the Reserve Fund. Accordingly, in connection with the issuance of the 2021 Bonds, the Fiscal Agent will establish the 2021 Reserve Account in the Reserve Fund, which will be funded in an amount equal to the Reserve Requirement with respect to the 2021 Bonds. Amounts in the 2021 Reserve Account of the Reserve Fund are available for payment of the 2021 Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies. If there are additional delinquencies after depletion of funds in the 2021 Reserve Account of the Reserve Fund, the City is not obligated to pay the 2021 Bonds, or supplement the 2021 Reserve Account. *The 2021 Bonds are not secured by amounts in any reserve account established for any other series of special tax bonds, including the 2019 Reserve Account that was established for the 2019 Bonds.*

The City is required to maintain on deposit in the 2021 Reserve Account of the Reserve Fund an amount that is equal to the Reserve Requirement with respect to the 2021 Bonds. The **"Reserve Requirement"** means, with respect to any Series of Bonds (unless otherwise specified in a Supplemental Agreement, including to create a single parity reserve fund for multiple Series of Bonds), the least of (i) 125% of the average Annual Debt Service with respect to the applicable Series of Bonds; (ii) Maximum Annual Debt Service with respect to the applicable Series of Bonds; and (iii) 10% of the original principal amount of the applicable Series of Bonds (or, if the applicable Series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such Series of Bonds); provided, that—

(a) if a parity reserve fund for multiple Series of Bonds is established, references to the applicable Series of Bonds shall mean all Bonds covered by such parity reserve fund;

(b) in no event shall the City be obligated to deposit an amount in any reserve fund in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code;

(c) the City may meet all or a portion of the Reserve Requirement with respect to any series of Bonds by depositing a Qualified Reserve Fund Credit Instrument in accordance with the Fiscal Agent Agreement; and

(d) the Reserve Requirement shall be set at the time of issuance of Bonds and shall not increase thereafter but may decrease as a result of prepayment of the Special Tax.

Amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds secured by the Reserve Fund. Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City. If there are additional delinquencies after depletion of funds in the Reserve Fund, the City is not obligated to pay the Bonds or supplement the Reserve Fund.

The City may elect that the Reserve Fund will be available on a parity basis among the 2021 Bonds and any other Additional Bonds.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund or the Improvement Fund as provided below, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement; any amounts in excess of the Reserve Requirement will be transferred to the Improvement Fund, if the Facilities have not been completed, or if the Facilities have been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company (a **“Qualified Reserve Fund Credit Instrument”**), provided certain conditions are met, including that the long-term credit rating of such bank or insurance company is rated at least “AA” (without regard to qualifier) by S&P or Moody’s.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and making any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Improvement Fund

Under the Fiscal Agent Agreement, the Fiscal Agent established an “**Improvement Fund**,” which is held and used by the Fiscal Agent to pay the costs of the Facilities. Disbursements from the Improvement Fund will be made by the Fiscal Agent in accordance with written requests of the City.

Before any payment from the Improvement Fund shall be made, the City shall file or cause to be filed with the Fiscal Agent a written request of the City for disbursement of moneys from such fund. Such withdrawals shall be implemented by the City pursuant to the terms and requirements of the Acquisition Agreement (described below). The Fiscal Agent need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, that has not been released or will not be released simultaneously with such payment. The Fiscal Agent shall not incur any liability for any disbursement from the Improvement Fund made in reliance upon any requisition. When the City determines that all of the costs of the Facilities to be financed with proceeds of the Bonds have been paid, the City shall provide written notification of such determination to the Fiscal Agent and direct the Fiscal Agent to transfer any remaining balance in any Improvement Fund into the Bond Fund. See “THE FACILITIES – Acquisition by the City.”

Additional Bonds

The District is authorized to issue up to \$35,000,000 of Bonds, of which the 2021 Bonds represent the second series. The City expects that it will, by a Supplemental Agreement, authorize the issuance of one or more additional series of bonds (“**Additional Bonds**”) payable from Special Taxes and secured by the Special Tax Revenues on a parity with the 2019 Bonds and the 2021 Bonds, upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

(i) Unless otherwise set forth in the Supplemental Agreement providing for the issuance of such Additional Bonds, there shall be deposited into a reserve account of the Reserve Fund, or into a separate reserve fund, an amount at least equal to the Reserve Requirement with respect to such Additional Bonds.

(ii) For each Bond Year that the Additional Bonds will be Outstanding, projected Maximum Special Taxes (net of the Administrative Expense Priority) in each Fiscal Year are equal to or greater than 110% of Debt Service due in the Bond Year that begins in the corresponding Fiscal Year.

(iii) The aggregate value of all parcels in the District subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the proposed series of Bonds, as determined by an MAI appraisal (including the value of improvements to be financed from proceeds of the Bonds proposed to be issued) or the assessed value of such parcels as shown on the then current County tax roll, or by a combination of both methods, is at least 4.00 times the sum of (i) the aggregate principal amount of all Bonds then outstanding plus (ii) the aggregate principal amount of the series of Bonds proposed to be issued, plus (iii) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the District, plus (iv) a portion of the aggregate principal amount of all bonds issued under the Act, other than Bonds then outstanding, and payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within

the District (the “**Other Mello-Roos Bonds**”) equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on parcels of land within the District subject to the Special Tax, and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land subject to the Special Tax against which the special taxes are levied to pay the Other Mello-Roos Bonds (such fraction to be determined based upon the special taxes which could be levied the year in which the Additional Bonds are being issued), based upon information from the most recent available Fiscal Year.

The limitations contained in the foregoing paragraphs (ii) and (iii) above shall not be applicable to Additional Bonds which are refunding bonds if the annual debt service on the refunding bonds is less than the annual debt service on the bonds refunded for each year such refunding bonds are scheduled to be outstanding.

Additional Security; Subordinate Bonds. Nothing in the Agreement shall prevent or be construed to prevent the Supplemental Agreement providing for the issuance of Additional Bonds from pledging, or otherwise providing, additional security for the benefit of such Additional Bonds or any portion thereof, or the issuance of bonds secured by Special Taxes on a basis subordinate to the pledge securing the Bonds.

DEBT SERVICE SCHEDULES

Debt Service Schedule. The annual debt service on the 2019 Bonds and the 2021 Bonds, which is based on the interest rates and maturity schedule set forth on the cover of this Official Statement, is set forth below (assuming no early redemptions).

**City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
Debt Service Schedule**

Period Ending Sept. 1	2019 Bonds Debt Service	2021 Bonds Principal	2021 Bonds Interest	2021 Bonds Debt Service	Total Parity Debt Service
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Totals

Source: Trustee for 2019 Bonds debt service; Underwriter for 2021 Bonds debt service.

Projected Debt Service Coverage. The projected debt service coverage on the Bonds for Fiscal Year 2021-22 is set forth below. The debt service coverage shown is a projection for Fiscal Year 2021-22 based on the current status of development and only the 2019 Bonds and 2021 Bonds outstanding. To the extent that development status changes and/or Additional Bonds are issued, the debt service coverage may be different than what is shown. The City anticipates levying for pay-as-you-go funding from certain parcels in the District for the first ten years of the District; however, the City may levy less than the amount shown in future years.

**City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
Projected Fiscal Year 2021-22 Debt Service Coverage⁽¹⁾**

Projected Buildout Maximum Special Tax⁽²⁾⁽³⁾	Priority Administration Expense⁽⁴⁾	Series 2019 & Series 2020 Debt Service*	Debt Service Coverage Maximum Special Tax*
\$1,141,861	(\$31,212)	\$727,844	152.59%

* Preliminary; subject to change.

- (1) Pursuant to Section 53321(d) of the Government Code, the special tax levied against any assessor's parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other assessor's parcel within the District by more than 10% above the amount that would have been levied in the Fiscal Year had there never been any such delinquencies or defaults.
- (2) Based on currently-expected land uses in the CFD. Subject to change pursuant to Section D of the RMA.
- (3) Includes projected maximum special tax revenues assuming buildout of the currently-expected land uses in the CFD.
- (4) As defined in the Fiscal Agent Agreement. Equals \$30,000 in Fiscal Year 2019-20, escalating by 2% per year thereafter.

Sources: Piper Sandler & Co.; Goodwin Consulting Group, Inc.

THE DISTRICT

Formation and Background

On August 20, 2018, the City Council adopted a Resolution of Intention to form the District under the Mello-Roos Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Facilities and making contributions to certain public facilities. After conducting a noticed public hearing, on October 1, 2018, the City Council adopted the Resolution of Formation, which established the District, set forth the Special Tax Formula within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$35,000,000. On the same day, an election was held within the District in which Lennar Homes, as the sole eligible landowner voters in the District, approved the proposed bonded indebtedness and the levy of the Special Tax. See “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT” below.

Description and Location

General. The District is referred to by the City as the “Grantline 208” project, which is located within the Sunridge Specific Plan area, northwest of Grantline Road. Property within the District is comprised of approximately 208 gross acres designated for (and developing into) 502 single-family residential homes. The District is located in the City limits along Grantline Road, south of Douglas Road, which represents the main east/west thoroughfare in the neighborhood. This is approximately 15 miles east of the Sacramento Central Business District, south of U.S. Highway 50, one of two main east-west routes in Sacramento. On- and off-ramps for U.S. Highway 50 are accessible via Sunrise Boulevard, about seven miles northwest of the District. To the east, it provides access to El Dorado County, various foothills communities, the Sierra Nevada Mountains and Lake Tahoe. To the west, Highway 50 is the principal route to Sacramento’s Central Business District and other major freeways.

The property in the District is situated within the Sunridge Specific Plan area, which provides a mix of uses organized around the neighborhood unit. The plan area is primarily residential but is supplemented with commercial and office uses; housing types consist mostly of single-family residential units. The District is southeast of existing residential development, with the nearest new developments located along the north side of Douglas Road in the North Douglas subdivision, marketed as Somerset Ranch, and the south side of Douglas Road (immediately north of the District) in the Cypress by Woodside Homes subdivision. Other subdivisions in the Sunridge Specific Plan area include Sunridge Park, Montelena, Anatolia I, Anatolia II, and Anatolia III, with various homebuilders active.

The greater Rancho Cordova area is a mature suburban area, which encompasses all types of land uses, including single-family and multifamily residential, retail, office and industrial, and has experienced continued growth since the mid 1980’s. This area currently is a substantial suburban office market within the Sacramento region, as well as a major employment center, most of which is located along U.S. Highway 50 which traverses the City. For certain demographic information relating to the City and the County, see “APPENDIX D – Sacramento County and City of Rancho Cordova Demographic Information.”

Maps. The following pages show the boundary map of the District, and the development plan for villages in the District (see Tables 1 and 2 for current plans for product types).

[Insert CFD Boundary Map]

[Insert Site Plan Map]

Environmental Matters

Water Supply; Contamination; Jet Fuel Plumes. A local water issue was the subject of consideration during the formation process undertaken for the Sunrise Douglas Community Plan, which is a broader land use plan covering 6,042 acres, including the 2,632 acres encompassed within the Sunridge Specific Plan. The water issue began in 1999 when the State Department of Health Services indicated it would not allow permits for the construction of housing in the Sunrise-Douglas area, based on the wells proposed for the local project area. Five wells on the former Mather Air Force Base and other nearby areas were contaminated due to past rocket testing and chemical manufacturing by Aerojet and Boeing in the area. In July 2002, the North Vineyard Well Field plan was approved. The water supply plan included the construction of a well field to extract groundwater from the basin of an underlying Zone 40, at a location sufficiently down-gradient to significantly reduce or eliminate the possibility of contamination to the well field by known contaminant plumes. The Sacramento County Water Agency (“SCWA”) provides water supply to the Sunridge Specific Plan area and conditions of the Specific Plan rezoning require that the SCWA Board of Directors make certain findings regarding the availability of water prior to approval of any tentative map. The City reports that development in the District is not negatively impacted by the availability of water. However, no assurance can be given as to the impact of this contamination on development or home values in the District in the future.

Flood Hazard Map Information. The District is located in Flood Zone X, described as areas outside of the 100 and 500-year flood plains (less than 0.2% annual chance flooding in any given year - flood insurance not required). This information is according to the Federal Emergency Management Agency Flood Map, Community Panel No. 060772, revised July 19, 2018. The District is not subject to the Central Valley Flood Protection Plan (SB 5).

Wetlands. The project has obtained a U.S. Army Corp. Section 404 permit, and Section 401 certification from the Regional Water Control Board for the planned development of the 502 lots within the District. In addition, the project has all required Section 1602 permits and approvals from the State.

Seismic Conditions. According to the California Seismic Safety Commission, the District is located within Zone 3, areas of moderate seismic activity. Zone 3 is considered to be the lowest risk zone in California. In addition, the District is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Development in the District

Lennar Homes has provided the following information with respect to development within the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined below may not be continued by the subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to the Development Agreement and the policies and requirements of the City. No assurance can be given that the plans or projections detailed below will actually occur.

Development Agreement. The City and Pulte Home Corporation entered into a Development Agreement for the project dated June 19, 2006 (as amended to date, the “Development Agreement”), in accordance with Sections 65864 through 65869.5 of the

California Government Code, as implemented through City ordinance. The Development Agreement was subsequently assigned to ARI 208, LLC, which then entered into an amendment to the Development Agreement. ARI 208, LLC subsequently assigned the Development Agreement, as so amended, to Lennar Homes, which then entered into an additional amendment to the Development Agreement. Development of property in the District is subject to the Development Agreement as well as the Sunridge Specific Plan. The Development Agreement creates a binding contract which sets forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and the developers in the District for development of the Grantline 208 project, including the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development according to the existing entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities and other obligations of the parties.

The Development Agreement also sets forth the responsibility of the Developer and its successors for a portion of the costs of certain public improvements required for its development. Funding of the Facilities with Bond proceeds will satisfy a portion, but not all, of the relevant obligations of the District for infrastructure improvements required by the Development Agreement. The improvements not funded from Bond proceeds or Special Taxes will be funded by the Developer or others as merchant homebuilders.

The Development Agreement runs with the property and may be modified only by mutual consent of the City and the successors to the original party thereto, in a manner consistent with the existing entitlements. With the Development Agreement in place, subject to compliance with the terms of the Development Agreement, construction of homes within the District may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits. The Development Agreement will be binding on the all successor owner-developers of property in the District, if any. The expiration date of the Development Agreement is April 15, 2030, unless modified or extended as contemplated therein.

Entitlements and Expected Development in Villages. The following table shows the status of entitlements and expected development for each of the six villages in the District.

Table 1
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Entitlements and Expected Development by Village

<u>Village</u>	<u>No. of Lots</u>	<u>Planned Lot Type(s)</u>	<u>Entitlement Status</u>	<u>Date Final Map Obtained/Expected</u>
Village 1	65	A (3); B (62)	Final Map	Dec. 2018
Village 2	79	A (79)	Final Map	Dec. 2018
Village 3	108	A (12); B (96)	Final Map	Sept. 2019
Village 4	124	A (66); B (58)	Final Map	Sept. 2019
Village 5	65	B (65)	Tentative Map	<i>Expected June 2021</i>
Village 6	61	B (61)	Final Map	Sept. 2019
Total	502			

Source: Lennar Homes.

Product Lines. Within the six villages described above, Lennar Homes is building and marketing homes in 3 different product lines: “Viridian,” “Verdant,” and “Ventana.” The Viridian and Ventana product lines are very similar to product lines currently being sold by Lennar Homes within the nearby North Douglas area of the City, while the third product line, “Verdant,” was introduced for the Grantline 208 area. The model home complex for the development is open, and sales and closings are ongoing, with 86 homes owned by individual homeowners as of November 16, 2020. Additional details regarding each product type follow.

- **Viridian.** Viridian is planned for 185 single family homes on 45x105 ft lots. Viridian models are located in Village 1. There are four plan sizes ranging from 1,603 to 2,617 square feet. Base pricing ranges from \$446,990 to \$497,990.
- **Verdant.** Verdant is planned for 157 single family homes on 45x105 ft lots. Verdant models are located in Village 6. There are four plan sizes ranging from 1,587 to 2,530 square feet. Base pricing ranges from \$412,990 to \$484,990.
- **Ventana.** Ventana is planned for 160 single family homes on 55x105 ft lots. Ventana models are located in Village 1. There are five plan sizes ranging from 1,950 to 3,312 square feet. Base pricing ranges from \$460,990 to \$626,990.

Table 2
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Expected Lots, Building Permits and Sales by Village and Product Type
As of December 2020

<u>Village</u>	<u>Product Type</u>	<u>Typical Lot Size</u>	<u>Average Home Size (Sq. Ft.)</u>	<u>No. of Planned Lots</u>	<u>Building Permits Issued</u>	<u>Completed Homes</u>	<u>Homes Under Constr.</u>	<u>Total Sales</u>	<u>Sales Pending</u>	<u>Closed Escrows</u>
Village 1	Viridian	45' x 105'	2,116	62	51	45	6	48	6	42
	Ventana	55' x 105'	2,691	3	3	3	0	0	0	0
Village 2	Ventana	55' x 105'	2,691	79	67	41	26	63	22	41
Village 3	Viridian	45' x 105'	2,116	96	0	0	0	0	0	0
	Ventana	55' x 105'	2,691	12	0	0	0	0	0	0
Village 4	Viridian	45' x 105'	2,116	58	16	0	16	10	10	0
	Ventana	55' x 105'	2,691	66	0	0	0	0	0	0
Village 5	Verdant	45' x 105'	2,045	65	0	0	0	0	0	0
Village 6	Viridian	45' x 105'	2,116	27	27	0	27	15	15	0
	Verdant	45' x 105'	2,143	34	33	20	13	30	10	20
Totals				502	197	109	88	166	63	103

Source: Lennar Homes.

Village 1. Village 1 is planned for 65 single family detached homes and is being marketed as “Viridian” homes. Within Village 1 are 3 Viridian models and 3 Ventana models. Final maps for Village 1 were approved in December 2018, and Village 1 infrastructure construction has been completed.

Village 2. Village 2 is planned for 79 single family detached homes and is being marketed as “Ventana” homes. Final maps for Village 2 were approved in December 2018, and Village 2 infrastructure construction has been completed.

Village 3. Village 3 is planned for 108 single family detached homes and is being marketed as 96 “Viridian” homes and 12 “Ventana,” homes. Final maps for Village 3 were

approved in September 2019, and Village 3 underground, joint trench infrastructure, and paving is complete. No construction starts/building permits have been pulled for Village 3.

Village 4. Village 4 is planned for 124 single family detached homes and is being marketed as 58 “Verdant” homes and 66 “Ventana,” homes. Final maps for Village 4 were approved in September 2019. Village 4 underground and joint trench infrastructure is complete with paving expected by the end of 2020.

Village 5. Village 5 is planned for 65 single family detached homes and is being marketed as “Verdant” homes. Final maps for Village 5 are expected to be approved in June 2021. Village 5 site improvements are scheduled to commence in May 2020 and be paved by November 2020. No construction starts/building permits have been pulled for Village 5.

Village 6. Village 6 is planned for 61 single family detached homes and is being marketed as 27 “Viridian” homes and 34 “Verdant,” homes (including 3 Verdant model homes). Final maps for Village 6 were approved in September 2019, and Village 6 underground, joint trench infrastructure, and paving is complete.

Infrastructure and Utilities. Lennar is undertaking construction of the necessary backbone and in-tract infrastructure for the development of the planned 502 units in the District. Public utilities, including electricity, natural gas, water, and telephone service, are available at the perimeter of the District and will be extended as site development is completed, including in connection with construction of the Facilities. The public utilities and other services that will serve the District include the following.

<i>Water:</i>	Sacramento County Water Agency
<i>Sewer:</i>	Sacramento Area Sewer District
<i>Electricity:</i>	Sacramento Municipal Utility District
<i>Gas:</i>	Pacific Gas & Electric

Development of Infrastructure. As of November 16, 2020, 437 lots (Villages 1, 2, 3, 4 and 6) had received final maps, and 65 lots (Village 5) remained tentatively mapped. Backbone and in-tract improvements were well underway by Lennar Homes, with some villages complete, as noted above.

Backbone infrastructure required for the project includes streets, curbs, gutters, sidewalks and streetlights along Grant Line Road, Americanos Boulevard, and Quantum and Paisleyshire Ways. As the interior access roads required for the project are completed, additional off-site backbone improvements are also being constructed. All backbone infrastructure required for building permits to be issued in Villages 1 through 4 and for Village 6 is complete. As of September 1, 2020, a portion of Americanos Boulevard remained to be completed as part of the conditions of development allowing building permits to be issued for the parcels in Village 5, which Americanos improvements are expected to cost \$3.97 million and be completed in 2021.

In addition to the required backbone infrastructure, in-tract development within each of the six planned villages is also required. Lennar Homes estimates the in-tract development costs at \$47,109 to \$74,723 per lot, for a total estimated cost of approximately \$34,568,000, of which approximately \$29,269,000 had been spent as of September 1, 2020. For a table showing Lennar Homes’ anticipates sources and uses of funds for the build-out of the project, see Table 3 below.

Lennar Homes Sources and Uses of Funds

Lennar Homes has provided the following table showing the estimated sources and uses for Lennar Homes related to the development and sale of the 502 homes planned for the District.

Table 3
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Lennar Homes Proposed Financing Plan⁽¹⁾
As of September 1, 2020

	Total Budget	% Complete	Through September 1, 2020	Remainder to be Completed
Sources of Funds				
Sales of Homes	\$231,824,180	12.7%	\$29,555,274	\$202,268,906
Sale of School Land	\$2,000,000	0.0%	\$0	\$2,000,000
CFD - Estimated Proceeds	\$14,542,140	30.0%	\$4,362,642	\$10,179,498
Credits/Reimbursements	\$10,614,000	13.0%	\$1,380,000	\$9,234,000
Total Sources of Funds	\$258,980,320		\$35,297,916	\$223,682,404
Uses of Funds				
Land	\$18,990,000	100.0%	\$18,990,000	\$0
On-site Construction (In-tracts)	\$34,568,000	84.7%	\$29,269,000	\$5,299,000
Off-site Construction	\$13,243,000	70.0%	\$9,270,000	\$3,973,000
Direct Construction	\$90,732,000	12.7%	\$11,567,000	\$79,165,000
Fees & Permits	\$42,293,000	28.3%	\$11,963,000	\$30,330,000
Service & Warranty	\$3,477,000	12.7%	\$443,000	\$3,034,000
Field Expenses	\$3,709,000	12.7%	\$473,000	\$3,236,000
Selling & Marketing	\$12,750,000	12.7%	\$1,626,000	\$11,124,000
General & Administrative	\$1,159,000	12.7%	\$148,000	\$1,011,000
Property Taxes	\$927,000	10.0%	\$93,000	\$834,000
Total Uses of Funds	\$221,848,000		\$83,842,000	\$138,006,000
SUBTOTAL BEFORE SELF FUND AMOUNT			-\$48,544,084	\$85,676,404
Lennar Corporate (Net Self Fund Project)			\$48,544,084	
NET CASH FLOW	\$37,132,320			

(1) Estimated as of September 1, 2020; actual amount may differ. CFD – Estimated Proceeds is an estimate for proceeds of 2019 Bonds and future Additional Bonds.

Source: Lennar Homes.

THE FACILITIES**Eligible Facilities**

The Facilities eligible to be financed by the District are set forth in the Resolution of Formation and consist of roadway and transportation improvements, including roadway design, project management, grading, and construction of roadways, including curbs, gutters, sidewalks, pavement, street lighting, dry utilities, soundwalls and landscaping, as well as drainage facilities, park improvements and other miscellaneous improvements. Authorized Facilities also include sanitary sewer facilities, water facilities and other capital improvements for which developer

impact fees are payable to the City for development within the District, as well as incidental expenses as authorized by the Mello-Roos Act.

Like the 2019 Bonds, the proceeds of the 2021 Bonds will be used for a portion of the cost of the public improvements (and/or development impact fees) eligible to be financed with the proceeds of the 2021 Bonds (the “**Facilities**,” as described below). See “FINANCING PLAN” for additional details. The following table estimates the cost of the Facilities needed for development of property in the District.

Table 4
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Expected Cost of Facilities

<u>Facility Category</u>	<u>Estimated Cost</u>
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

Source: CFD Hearing Report.

Acquisition by the City and other Local Agencies

In connection with the issuance of the 2019 Bonds, the City and Lennar Homes entered into a Funding, Construction and Acquisition Agreement dated as of November 1, 2019 (the “**Acquisition Agreement**”) which provides that Lennar Homes (or successors) will construct (or cause to be constructed or funded) the Facilities. As components of the Facilities are completed, proceeds of a portion of the Bonds will be used to pay all or a part of the purchase price of various Facilities pursuant to the terms of the Acquisition Agreement.

The Special Tax Formula provides that the funding of Facilities can also be made from collections of the Special Tax available as the “pay-as-you-go” component of Special Taxes levied in the District. The pay-as-you-go funding component is expected to provide for funding of the cost of a portion of the Facilities (both improvements and fees) in excess of the amount provided from bond proceeds (if such proceeds are not sufficient) through annual Special Tax collections in excess of the amount needed to pay the debt service.

The portion of the cost of construction of the Facilities that will not be provided from Bond proceeds or “pay-as-you-go” Special Taxes levied in the District, will be the responsibility of Lennar Homes.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that an owner or any subsequent owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally

compelled to do so. Neither the City nor any Bond owner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the 2021 Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Lennar Homes has provided the respective information set forth under the heading "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT – Lennar Homes and Lennar" below. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. The Special Taxes are not personal obligations of Lennar Homes or of any subsequent landowners; the 2021 Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See "SECURITY FOR THE 2021 BONDS" and "BOND OWNERS' RISKS" herein.

Property Owners in the District

At the time of formation of the District, Lennar Homes owned all of the land within the District. Subsequently, Lennar Homes has been constructing and selling homes to individual homeowners over time. The following table shows the projected top ten payers of special taxes in the District for Fiscal Year 2021-22.

Table 5
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Property Ownership by Share of Projected Fiscal Year 2021-22 Special Tax Levy

Owner ⁽¹⁾	No. of Parcels	No. of Expected Units	Acres	Appraised Value ⁽²⁾	Projected FY 2021-22 Maximum Special Tax	Projected FY 2021-22 Special Tax Levy ⁽³⁾	Percent of Projected Special Tax Levy	Bonds CFD* ⁽⁴⁾	Overlapping Debt ⁽⁵⁾	Total Debt*	Average Appraised Value-to- Lien*
Lennar Homes of California, Inc.	340	404	55.8	\$50,111,878	\$922,885	\$776,805	77.4%	\$10,101,755	\$951,196	\$11,052,951	4.5:1
Individual Homeowners	98	98	13.6	43,997,783	227,099	227,099	22.6	2,953,245	342,030	3,295,275	13.4:1
Total	438	502	69.4	\$94,109,661	\$1,149,983	\$1,003,904	100.0%	\$13,055,000	\$1,293,226	\$14,348,226	6.6:1

* Preliminary; subject to change.

(1) Based on ownership information as of November 16, 2020. May not include recent sales. Some of the land shown as owned by Lennar Homes is part of a land-banking arrangement between Lennar Homes and Angelo Gordon & Co. LP described herein.

(2) Appraised values were allocated to the individual parcels based on the expected development and lot status for each parcel, as reported in the Appraisal. The allocated appraised values are not indicative of the market values of the villages or the individual lots. Includes the Fiscal Year 2020-21 assessed values for parcels that were not appraised.

(3) Includes building permits issued prior to November 16, 2020, which is the date of value for the Appraisal. Assumes no further development. Includes estimated debt service due in 2022 on the Series 2019 Special Tax Bonds and Series 2021 Special Tax Bonds, plus an estimated \$31,212 in administrative expenses. Assumes the City will levy at least the Maximum Special Tax on Developed Property and Final Map Property in fiscal year 2021-22.

(4) Includes the \$7,105,000 outstanding principal amount of the Series 2019 Special Tax Bonds and the \$5,950,000 anticipated par amount of the Series 2021 Special Tax Bonds. Allocated based on the Projected FY 2021-22 Special Tax Levy.

(5) Includes the overlapping debt liens listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. The overlapping debt report is based on the parcels and assessed values as of FY 2020-21. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: Sacramento County Assessor's Office; Integra Realty Resources, Inc.; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Lennar Homes and Lennar

General. Lennar Homes is a wholly-owned indirect subsidiary of Lennar Corporation, a Delaware corporation (“**Lennar**”), with headquarters in Miami, Florida. Lennar is a diversified real estate company, publicly traded on the New York Stock Exchange under the symbol LEN and presided over by Chief Executive Officer Stuart Miller. Lennar started as a Dade County, Florida homebuilder in 1954. The year 2018 marked the 21st year that Lennar has operated in the Sacramento area. In February 2018, Lennar completed its merger with homebuilder CalAtlantic, creating the largest homebuilder in the United States based on revenues.

Lennar is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC’s website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Lennar provides investor relations information on its website.

For further information on Lennar, see its Internet homepage located at www.lennar.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference and no representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.

Land-Banking Arrangement. In October 2020, Lennar Homes sold 212 lots in the District to AG Essential Housing CA, a division of Angelo Gordon & Co. LP, which is a financial investment firm based in New York. As part of the transaction, Lennar Homes agreed to repurchase the lots pursuant to a specific take-down schedule. In addition, while the lots are owned by AG Essential Housing CA, Lennar Homes agrees to perform any continuing disclosure requirements for such property and to pay special taxes on the property. The Appraisal notes that the transfer of lots to AG Essential Housing CA serves as a financing mechanism and not an arm’s length transfer of the affected subject lots, so no further consideration is given to the transfer.

The schedule for the 212 lots in the District to be re-purchased by Lennar Homes is described as follows:

	Ventana	Viridian	Ventana	Ventana	Viridian 6	
	<u>Vil 1</u>	<u>Vil 3</u>	<u>Vil 3</u>	<u>Vil 4</u>	<u>Vil 6</u>	<u>Total</u>
Nov-20	4				4	8
Dec-20	4				3	7
Jan-21	4				4	8
Feb-21	4	4				8
Mar-21		4	4			8
Apr-21		4	4			8
May-21		4	4			8
Jun-21		4		4		8
Jul-21		4		4		8
Aug-21		4		3		7
Sep-21		4		3		7
Oct-21		3		4		7
Nov-21		4		4		8
Dec-21		4		4		8
Jan-22		4		3		7
Feb-22		4		4		8
Mar-22		4		4		8
Apr-22		4		4		8
May-22		4		4		8
Jun-22		5		4		9
Jul-22		4		5		9
Aug-22		4		4		8
Sep-22		4		3		7
Oct-22		4		5		9
Nov-22		4				4
Dec-22		4				4
Jan-23		4				4
Feb-23	4					4
Mar-23	4					4
Apr-23	3					3
Total	27	96	12	66	11	212

Recent Litigation Against Lennar Corporation. A lawsuit was filed in the State Court of California against Lennar Corporation relating to Lennar Corporation and LandSource Communities Development, LLC, a Delaware limited liability company ("**LandSource**"), in which the California Public Employees' Retirement System ("**CalPERS**") invested in 2007 ("**Complaint**"). LandSource filed for bankruptcy on June 8, 2008 ("**LandSource Bankruptcy Matter**"), and a plan for reorganization was approved by the bankruptcy court on July 20, 2009. (In re: LandSource Communities Development LLC, et al, Case No. 08-11111, United States Bankruptcy Court, District of Delaware.)

The Complaint, which was filed as a qui tam action by a newly created limited liability company, makes a number of claims related to Lennar Corporation's actions regarding LandSource and the related bankruptcy and seeks injunctive relief and damages (including statutory and treble) relating to CalPERS' alleged \$970 million loss. Lennar Corporation filed a petition to remove the Complaint to federal court (Citizens Against Corporate Crime ("**CACC**") v. Lennar Corporation (9th Circuit, California Eastern District Court, Case No. 2:2018cv01269). Lennar Corporation also filed a Motion to Reopen the Chapter 11 Bankruptcy Cases for the Limited Purpose of Enforcing the Injunction and Release in the Debtors' Joint Chapter 11 Plan and Confirmation Order. Lennar Corporation contended that in addition to the Complaint being barred by the release and injunction in the LandSource Bankruptcy Matter, the Complaint was meritless and barred by applicable statutes of limitation and other defenses. On July 17, 2018,

the Bankruptcy Court granted that motion, allowing Lennar Corporation to proceed with filing its proposed enforcement motion.

After a hearing on October 25, 2018, the Bankruptcy Court granted the enforcement motion and found that CACC and its member Nicolas Marsch III (“**Marsch**”) filed the Complaint in violation of the injunction and release in the Chapter 11 Plan and Confirmation Order and barred CACC, Marsch and their agents from prosecuting the Complaint. Further, the Bankruptcy Court enjoined CACC, Marsch and their agents from continuing to pursue released and enjoined claims and causes of action against Lennar Corporation in further violation of the Chapter 11 Plan and Confirmation Order. The California federal district court dismissed the Complaint by minute order issued November 16, 2018. CACC also filed a Notice of Appeal and Statement of Election with the Delaware District Court (“**District Court**”) to appeal the Bankruptcy Court’s November 1, 2018 order granting the enforcement motion. In January 2020, the District Court issued its opinion denying CACC’s request for oral argument, and rejecting each of CACC’s arguments in the appeal. Later in January 2020, CACC filed a notice of appeal to the Third Circuit Court of Appeals. CACC has filed its appellant opening and reply briefs. Lennar Corporation has filed its appellee brief. The appeal remains pending.

Lennar Homes is not a party to the Complaint. Lennar Homes believes that even if, in the unlikely event, the Complaint is successful against Lennar Corporation, Lennar Homes will be able to complete the development and sale of its project within the District as described in this Official Statement and pay Special Taxes and ad valorem tax obligations on the property that it owns within the District prior to delinquency during Lennar Homes’ period of ownership before any adverse impact could occur from the lawsuit.

VALUE OF PROPERTY WITHIN THE DISTRICT

Assessed Values

The following table shows a history of assessed values in the District since Fiscal Year 2019-20.

Fiscal Year	Land Assessed Value	Improvement Assessed Value	Total Assessed Value	No. of Permits Issued ⁽¹⁾
2019-20	\$16,181,372	\$0	\$16,181,372	6
2020-21	\$28,202,087	\$12,393,444	\$40,595,531	125

(1) Represents the number of parcels for which a building permit for new construction was issued prior to June 1 of the prior Fiscal Year.

Sources: Sacramento County Assessor’s Office; Goodwin Consulting Group, Inc.

Appraised Values

General. The value of taxable property within the District is a critical factor in determining the investment quality of the 2021 Bonds. In order to obtain a more accurate estimate of the value of land in the District, the City ordered preparation of an appraisal report (the “**Appraisal**”) setting forth the estimated value of the taxable land within the District as of the November 16, 2020 date of value. The Appraisal was prepared by Integra Realty Resources, Sacramento, California (the “**Appraiser**”). The Appraisal is set forth in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its

entirety. The conclusions reached in the Appraisal are subject to certain assumptions, conditions and qualifications which are set forth in the Appraisal.

The Appraisal estimated the market value of all of the taxable land in the District (except 8 single-family homes that have an assessed value on the County property tax roll). Accordingly, the appraised value is the estimated value of the 494 lots in the District, as of the date of value, consisted of the taxable portion of the Grantline 208 development, encompassing over 200 acres of developable property approved for 502 dwelling units, and developing into three product types as described in the table below. The land in the District also includes non-taxable areas planned for recreation, public and open-space uses, as well as commercial uses. For additional details, see APPENDIX B hereto.

Value Estimate. The appraised valuation excludes the value of all portions of the property in the District designated for public and quasi-public purposes in the Sunridge Specific Plan and assumes completion of infrastructure funded by the 2021 Bonds and accounts for the impact of the lien of the Special Tax. The estimate represents the market value of the 484 appraised parcels, based on the hypothetical condition certain impact fees to be financed by the 2021 Bonds have been paid. The value estimate for the property as of the November 16, 2020 date of value, using the methodologies described in the Appraisal and subject to the limiting and hypothetical conditions and general and special assumptions set forth in the Appraisal is \$94,109,661 (including \$4,023,374 in assessed valuation for completed homes transferred to individual homeowners). The value is further described as follows:

Ownership	No. of Parcels/Lots	Value by Parcel	Aggregate Value	Total Value (Component)
<u>Individual Homeowners – Completed Homes</u>				
Viridian	38	\$446,000	\$16,948,000	
Ventana	36	460,000	16,560,000	
Verdant	<u>17</u>	412,000	<u>7,004,000</u>	
Total	91			\$40,512,000
<u>Master Developer (in bulk):</u>				
<u>Completed homes</u>				
Viridian	3	423,700	\$1,271,100	
Ventana	4	437,000	1,748,000	
Verdant	<u>3</u>	391,400	<u>1,174,200</u>	
Total	10			\$4,193,300
<u>Improved & Partially Improved Lots ⁽¹⁾</u>	393			\$45,380,987
Aggregate (Cumulative) Appraised Values	494			\$90,086,287
Aggregate (Cumulative) Assessed Values	<u>8</u>			<u>4,023,374</u>
Total Aggregate (Cumulative) Value	502			\$94,109,661

(1) Includes \$9,720,987 in permits & impact fees paid.

The Appraiser's valuation process employed the sales comparison approach and land residual analysis to estimate the market value of a benchmark lot category. In the sales comparison approach, adjustments are applied to the prices of comparable bulk lot transactions, and a market value for the benchmark lot category is concluded. Then, as a support of reasonableness, a land residual analysis is utilized, which is reconciled with the sales comparison approach conclusion. Adjustments are then applied to determine values for each residential Village, based upon lot size differences that exist from the lots within the benchmark lot category.

The final estimate of market value is estimated by employing a discounted cash flow analysis, whereby the expected revenue, absorption period, expenses and discount rate associated with the sell-off of the lots were taken into account.

Hypothetical Condition. The market value estimated by the Appraiser is based on a hypothetical condition. A hypothetical condition is defined by USPAP as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.” It is a hypothetical condition of the Appraisal that the proceeds from the 2021 Bonds will be used to fund certain impact fees otherwise due. The market value estimated in the Appraisal is based on the hypothetical condition certain impact fees to be financed by the 2021 Bonds have been paid. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the 2021 Bonds.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of limiting conditions and standard and extraordinary assumptions which affect the estimates as to value, including, among others, the following.

- The valuation analysis is based on developer-provided site development cost projections for the subject property. According to the developer, permits and fees due at building permit average approximately \$99,226 per lot. The proposed bond is anticipated to generate approximately \$10,476,143 (\$26,190/lot) in funds available to offset permits and fee costs. As such, a net permits and fees amount of \$73,036 per lot was utilized. If, at some future date, it is determined that cost estimates or input factors yielding the anticipated developer contribution for remaining permits and fees are different than actual, the values contained herein could be affected.

- The valuation analysis did not include review of a current title report of all properties to determine any possible conditions of title affecting the properties appraised. The Appraiser accepts no responsibility for matters pertaining to title.

- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events involving hazardous material reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser. See “BOND OWNERS’ RISKS – Land Values” and “– Hazardous Substances” below. See “APPENDIX B – The Appraisal” hereto for a description of certain assumptions made by the Appraiser.

Accordingly, because the Appraiser arrived at an estimate of current market value based upon certain conditions and assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

The Appraisal notes that Douglas Road serves as the boundary line between the Elk Grove Unified School District and the Folsom Cordova School District. Specifically, the properties south of Douglas Road, including the property in the District, are within the Elk Grove Unified School District. The Appraiser notes that sales agents did not suggest a premium being paid by homeowners for a

preference of one school district over the other. As such, no adjustment was considered for differing school districts in the Appraisal.

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See “–Priority of Lien” below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see “BOND OWNERS’ RISKS” herein.

Value to Special Tax Burden Ratios

The Appraisal sets forth the combined value of all taxable property within the District to be not less than \$94,109,661, subject to the limiting conditions stated therein. (See “– The Appraisal” above and APPENDIX B hereto.) The principal amount of the direct and overlapping debt in the District is \$14,348,226*, which consists of the total amount of 2019 Bonds and 2021 Bonds (\$13,055,000*) and \$1,293,226 of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in the District subject to the Special Tax lien (\$94,109,661), is approximately 6.6* times the principal amount of the direct and overlapping debt in the District. This is an average and particular value-to-lien ratios vary significantly from the average.

In comparing the value of the real property within the District to the principal amount of the Bonds and other direct and overlapping debt for the District, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by the developers of property in the District or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be in a junior position to the lien of the Special Tax.

* Preliminary; subject to change.

Value-to-lien Ratios by Development Status. The following table shows the projected status of development and value-to-lien ratios by village in the District for Fiscal Year 2021-22, based on the status of development as of November 16, 2020 and assuming no further development. Value-to-lien ratios on individual parcels may vary considerably from any average.

Table 6
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Value-to-Lien Ratios by Development Status
Projected for Fiscal Year 2021-22

Development Status ⁽¹⁾	No. of Parcels	No. of Expected Units	Acres	Appraised Value ^{(2)*}	Projected FY 2021-22 Maximum Special Tax*	Projected FY 2021-22 Special Tax Levy ^{(3)*}	Percent of Projected Special Tax Levy*	CFD Bonds ^{(4)*}	Overlapping Debt ^{(5)*}	Total Debt*	Average Appraised Value-to- Lien*
Developed Property											
Village 1	54	54	7.1	\$22,314,020	\$116,043	\$116,043	11.6%	\$1,509,054	\$197,079	\$1,706,133	13.1:1
Village 2	67	67	9.9	24,114,107	174,197	174,197	17.4	2,265,302	223,862	2,489,165	9.7:1
Village 4	16	16	2.0	2,835,587	33,959	33,959	3.4	441,607	41,727	483,334	5.9:1
Village 6	57	57	7.2	14,828,778	120,978	120,978	12.1	1,573,225	160,057	1,733,283	8.6:1
Subtotal	194	194	26.2	\$64,092,493	\$445,177	\$445,177	44.3%	\$5,789,189	\$622,725	\$6,411,914	10.0:1
Final Map Property⁽⁶⁾											
Village 1	11	11	1.5	\$1,036,203	\$23,347	\$23,347	2.3%	\$303,605	\$31,109	\$334,714	3.1:1
Village 2	12	12	1.8	1,689,005	31,200	31,200	3.1	405,726	34,035	439,760	3.8:1
Village 3	108	108	14.0	10,345,184	234,952	234,952	23.4	3,055,368	299,791	3,355,159	3.1:1
Village 4	108	108	15.4	10,417,229	260,739	260,739	26.0	3,390,711	281,657	3,672,367	2.8:1
Village 6	4	4	0.7	631,581	8,490	8,490	0.8	110,402	11,232	121,634	5.2:1
Subtotal	243	243	33.4	\$24,119,202	\$558,727	\$558,727	55.7%	\$7,265,811	\$657,823	\$7,923,635	3.0:1
Undeveloped Property											
Village 5	1	65	9.8	\$5,897,966	\$146,079	\$0	0.0%	\$0	\$12,677	\$12,677	465.2:1
Total	438	502	69.4	\$94,109,661	\$1,149,982	\$1,003,904	100.0%	\$13,055,000	\$1,293,226	\$14,348,226	6.6:1

* Preliminary; subject to change.

(1) Includes building permits issued prior to November 16, 2020, which is the date of value for the Appraisal. Assumes no further development.

(2) Appraised values were allocated to the individual parcels based on the expected development and lot status for each parcel, as reported in the Appraisal. The allocated appraised values are not indicative of the market values of the villages or the individual lots. Includes the Fiscal Year 2020-21 assessed values for parcels that were not appraised.

(3) Includes estimated debt service due in 2022 on the Series 2019 Special Tax Bonds and Series 2021 Special Tax Bonds, plus an estimated \$31,212 in administrative expenses. Based on the status of development as noted under footnote (1), and is subject to change if the actual status of development changes before July 1, 2021. Assumes the City will levy at least the Maximum Special Tax on Developed Property and Final Map Property in fiscal year 2021-22.

(4) Includes the \$7,105,000 outstanding principal amount of the Series 2019 Special Tax Bonds and the \$5,950,000 anticipated par amount of the Series 2021 Special Tax Bonds. Allocated based on the Projected FY 2021-22 Special Tax Levy.

(5) Includes the overlapping debt liens listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. The overlapping debt report is based on the parcels and assessed values as of FY 2020-21. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: Integra Realty Resources, Inc.; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Value-to-lien Ratios By Category. The following table sets forth the projected value-to-lien ratios by category for parcels in the District for Fiscal Year 2021-22.

Table 7
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Value-to-Lien Ratio Ranges
Projected for Fiscal Year 2021-22

Appraised Value-to-Lien Category	No. of Parcels	No. of Expected Units	Acres	Appraised Value ⁽¹⁾	Projected FY 2021-22 Special Tax Levy ^{(2)*}	Percent of Projected Special Tax Levy*	CFD Bonds ^{(3)*}	Overlapping Debt ⁽⁴⁾	Total Debt*	Average Appraised Value-to-Lien*
10:1 to 15:1	109	109	15.2	\$48,728,674	\$252,833	25.2%	3,287,900	386,419	3,674,319	13.3:1
5:1 to 10:1	86	86	11.0	15,551,269	191,601	19.1	2,491,629	237,931	2,729,560	5.7:1
3:1 to 5:1	160	160	20.8	16,353,683	346,273	34.5	4,503,011	439,295	4,942,306	3.3:1
2:1 to 3:1	82	82	12.6	7,578,069	213,197	21.2	2,772,460	216,904	2,989,363	2.5:1
Undeveloped Property ⁽⁵⁾	1	65	9.8	\$5,897,966	\$0	0.0%	\$0	\$12,677	\$12,677	465.2:1
Totals	438	502	69.4	\$94,109,661	\$1,003,904	100.0%	\$13,055,000	\$1,293,226	\$14,348,226	6.6:1

* Preliminary; subject to change.

(1) Appraised values were allocated to the individual parcels based on the expected development and lot status for each parcel, as reported in the Appraisal. The allocated appraised values are not indicative of the market values of the villages or the individual lots. Includes the Fiscal Year 2020-21 assessed values for parcels that were not appraised.

(2) Includes building permits issued prior to November 16, 2020, which is the date of value for the Appraisal. Assumes no further development. Includes estimated debt service due in 2022 on the Series 2019 Special Tax Bonds and Series 2021 Special Tax Bonds, plus an estimated \$31,212 in administrative expenses. Assumes the City will levy at least the Maximum Special Tax on Developed Property and Final Map Property in fiscal year 2021-22.

(3) Includes the \$7,105,000 outstanding principal amount of the Series 2019 Special Tax Bonds and the \$5,950,000 anticipated par amount of the Series 2021 Special Tax Bonds. Allocated based on the Projected FY 2021-22 Special Tax Levy.

(4) Includes the overlapping debt liens listed under "Direct and Overlapping Tax and Assessment Debt" in the overlapping debt report prepared by California Municipal Statistics, Inc. The overlapping debt report is based on the parcels and assessed values as of FY 2020-21. Does not include any PACE liens secured by assessments or special taxes on the property.

(5) The City does not anticipate levying a special tax on Undeveloped Property in Fiscal Year 2021-22.

Sources: Integra Realty Resources, Inc.; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Priority of Lien

The Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Mello-Roos Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Mello-Roos Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District. In addition, property owners can voluntarily agree to incur Property Assessed Clean Energy (PACE) liens on their properties.

There can be no assurance that the developers will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities, however no other special districts are currently contemplated by the City or the developers.

Private liens, such as deeds of trust securing loans obtained by developers of land in the District, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Set forth below is a statement of direct and overlapping public bonded debt (the **"Overlapping Debt Report"**) prepared by California Municipal Statistics, Inc. as of December 1, 2020. The Overlapping Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Overlapping Debt Report is included for general informational purposes only. Neither the City nor the District makes any representation as to its completeness or accuracy.

The first column in the table names each public agency which has outstanding bonded debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the assessed value of the area common to the District and the other public agency (overlapping territory), as a percentage of the total assessed value of the other public agency. This percentage, multiplied by the total outstanding bonded debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District. In addition to the bonded debt shown in the Overlapping Debt Report, various local agencies, including the City, levy additional parcels charges, assessments and special taxes on parcels in the District. See Table 9 for estimated amounts of these parcel charges, assessments and special taxes.

The Overlapping Debt Report does not include PACE debt secured by assessments or special taxes on any property. Based on the California Municipal Statistic's review of the Fiscal Year 2020-21 County property tax bills, none of the parcels within the District had a PACE lien.

Table 8
City of Rancho Cordova
Grantline 208 Community Facilities District No. 2018-1
Direct and Overlapping Indebtedness
As of December 1, 2020

2020-21 Local Secured Assessed Valuation: \$40,595,531

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/1/20</u>
Los Rios Community College District General Obligation Bonds	0.018%	\$ 76,725
Elk Grove Unified School District General Obligation Bonds	0.100	176,271
Elk Grove Unified School District Community Facilities District No. 1	0.553	1,040,231
City of Rancho Cordova Community Facilities District No. 2018-1	100.000	<u>7,105,000</u>⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$8,398,227
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	0.022%	\$ 31,068
Sacramento County Pension Obligation Bonds	0.022	159,123
Sacramento County Board of Education Certificates of Participation	0.022	791
Elk Grove Unified School District Certificates of Participation	0.100	12,155
City of Rancho Cordova Certificates of Participation	0.413	59,138
Sacramento Metropolitan Fire General Fund Obligations	0.055	4,725
Sacramento Metropolitan Fire Pension Obligation Bonds	0.055	24,494
Cordova Recreation and Park District General Fund Obligations	0.248	<u>17,590</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$309,084
Less: Sacramento County supported obligations		<u>3,332</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$305,752
GROSS COMBINED TOTAL DEBT		\$8,707,311⁽²⁾
NET COMBINED TOTAL DEBT		\$8,703,979

Ratios to 2020-21 Local Secured Assessed Valuation:

Direct Debt (\$7,105,000)	17.50%
Total Direct and Overlapping Tax and Assessment Debt	20.69%
Gross Combined Total Debt.....	21.45%
Net Combined Total Debt.....	21.44%

(1) Excludes 2021 Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Estimated Tax Burden on a Single-Family Home

The following table sets forth the estimated total tax burden on a single-family home (for Lot Type A and Lot Type B), based on projected tax rates for Fiscal Year 2020-21.

Table 9
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Estimated Tax Bill for Fiscal Year 2020-21

Net Taxable Value		Lot Type A Amount	Lot Type B Amount
Estimated Average Sales Price ⁽¹⁾		\$500,000.00	\$465,990.00
Less: Homeowner's Exemption		(7,000.00)	(7,000.00)
Net Taxable Value		\$493,000.00	\$458,990.00
Ad Valorem Property Taxes		Rate	Amount
Base Property Tax		1.0000%	\$4,930.00
Los Rios College General Obligation Bond		0.0223	109.94
Elk Grove Unified General Obligation Bond		0.0352	173.54
Total Ad Valorem Property Taxes		1.0575%	\$5,213.48
Parcel Charges, Assessments, and Special Taxes ⁽²⁾		Amount	Amount
Water and Drainage Studies - SCWA 13		\$6.92	\$6.92
Elk Grove USD CFD No. 1		200.00	200.00
Rancho Cordova CFD No. 2018-2		123.12	123.12
CRPD CFD No. 2018-01		432.44	432.44
Transit Services District Zone 2		114.20	91.36
Rancho Cordova Lighting District 2012-1		2.56	2.56
Rancho Cordova CFD 2014-2		459.08	459.08
Rancho Cordova CFD No. 2013-2		572.92	572.92
Grantline 208 CFD No. 2018-1 ⁽³⁾		2,548.98	2,080.80
Total Parcel Charges, Assessments, and Special Taxes		\$4,460.22	\$3,969.20
Total Taxes		\$9,673.70	\$8,823.02
Total Effective Tax Rate		1.93%	1.89%

* Preliminary; subject to change.

(1) Represents the estimated market values for Lot Types A and B, as reported in the Appraisal.

(2) Does not include any PACE assessments or special taxes.

(3) Equal to the applicable Maximum Special Tax rate in FY 2020-21.

Sources: Integra Realty Resources, Inc.; Goodwin Consulting Group, Inc.

Special Tax Collections and Delinquencies

Fiscal Year 2019-20 was the first Fiscal Year during which the Special Tax were levied, with the first payment due in December 2019.

Table 10
City of Rancho Cordova
Grantline 208 CFD No. 2018-1
Special Tax Collections and Delinquencies ⁽¹⁾

As of the End of each Fiscal Year				
Fiscal Year	Amount Levied	Number of Parcels Delinquent	Amount Delinquent	Percentage Delinquent
2019-20	\$331,398	0	\$0	0.00%

(1) The Sacramento County Tax Collector's Office reports that all prior year delinquent amounts were remitted to the City through the Teeter Plan.

Sources: Sacramento County Tax Collector's Office; Goodwin Consulting Group, Inc.

The levy of Special Taxes in the District is currently covered by the Teeter Plan in the County. See "SECURITY FOR THE 2021 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure –Teeter Plan."

BOND OWNERS' RISKS

The purchase of the 2021 Bonds involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive or a complete statement of all factors that may be considered as risks in evaluating the credit quality of the 2021 Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the 2021 Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the 2021 Bonds.

Concentration of Ownership of Undeveloped Property

Most of the land within the District is currently owned (or under contract pursuant to a land-banking arrangement) by Lennar Homes. Although there will be transfers of ownership of this property as development progresses and home sales are closed, the timely payment of the 2021 Bonds depends upon the willingness and ability of all of the owners of taxable property within the District to pay the Special Taxes when due. The only assets of the owners of property within the District which constitute security for the 2021 Bonds are such owners' real property holdings located within the District, and each parcel may only be foreclosed against for delinquent Special

Taxes levied against such parcel. If the current landowners choose to pay some but not all of the Special Taxes, they may, as owners of parcels in the District, choose to default on payments of the Special Tax on parcels. Also see “– Bankruptcy Delays” below.

Development of undeveloped property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the two homebuilders or other property owners to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order to complete construction of the remaining homes in the District. No assurance can be given that the remaining proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the 2021 Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved. See the information set forth under the caption “THE DISTRICT – Development in the District.”

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the 2021 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Annual Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Special Tax Formula. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2021 Bonds.

In addition to the maximum annual Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2021 Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax Formula is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels in the District subject to a Special Tax and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels in the District subject to a Special Tax and their proportionate share of debt service on the 2021 Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels in the District subject to a Special Tax could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof,

immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See “– Property Tax Delinquencies” below.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE 2021 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure” and in the Mello-Roos Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2021 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY FOR THE 2021 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”) has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within the District. See “– FDIC/Federal Government Interests in Properties” below.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Overlapping Tax Districts. The land in the District is also located within the boundaries of various local agencies that could issue debt in the future payable from special taxes or other amounts levied on the parcels in the District; this would decrease the value to lien ratios of parcels in the District.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent

property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in the District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax Revenues necessary to pay debt service on the 2021 Bonds, which could in turn result in the depletion of the 2021 Reserve Account of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the 2021 Bonds. See “SECURITY FOR THE 2021 BONDS – Reserve Fund,” and “SECURITY FOR THE 2021 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

The City intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see “SECURITY FOR THE 2021 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure”); and increasing the levy of Special Taxes against non-delinquent property owners in the District, to the extent permitted under the Special Tax Formula and the Mello-Roos Act and to the extent the Special Taxes are not already being levied at the Maximum Annual Special Tax rate.

Any future decline in home values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the City to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Property Values and Risks Related to Development

The value of Taxable Property within the District is a critical factor in determining the investment quality of the 2021 Bonds. If a property owner defaults in the payment of the Special Tax, the City’s only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the City’s control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in the District.

Risks Related to Availability of Mortgage Loans. In the past, market events have adversely affected the availability of mortgage loans to homeowners, including potential buyers

of homes within the District. Any such unavailability in the future could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding the District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes. See “THE DISTRICT – Description and Location.”

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the District is not in a high-risk area (or a special fire hazard severity zone) for wildfires, landslides, floods, or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. In particular, large fires have impacted other parts of the City and County in recent years. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

Droughts. The State is subject from time-to-time to drought conditions, which could have an impact on future development in the District. California is now recovering from a multi-year drought that had far-reaching consequences. In January 2014, with California facing water shortfalls in the then-driest year in recorded state history, the State Governor proclaimed a State of Emergency and directed State officials to take all necessary actions to prepare for these drought conditions. On April 1, 2015, for the first time in State history, the Governor of California directed the State Water Resources Control Board (“**SWRCB**”) to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. In addition, the proclamation gave State water officials more flexibility to manage supply throughout California under drought conditions. On May 17, 2016, the SWRCB rescinded these mandatory water reductions due to an improved water supply outlook. The SWRCB also granted individual water suppliers broad control over future conservation orders. On April 7, 2017, the Governor declared an end to the State of Emergency (with the exception of Fresno, Kings, Tulare and Tuolumne counties, where emergency drinking water projects will continue to help address diminished groundwater supplies). The City cannot predict when drought conditions and concomitant water-reduction requirements will return, what effect drought conditions could have on property values, or whether or to what extent water reduction requirements may affect the District.

Legal Requirements. Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the

parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the City is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

Endangered and Threatened Species. It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Although the Master Developer believes that no federally listed endangered or threatened species would be affected by the proposed development within the District, other than any that are permitted by the entitlements already received (which allow for the impact of development and specify the mitigation required), the discovery of an endangered plant or animal could delay development of vacant property in the District or reduce the value of undeveloped property.

Future Property Development

Continuing development of the parcels in the District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developer, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, changes in law, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the property in the District.

For example, H.R. 1 of the 115th U.S. Congress, known as the “Tax Cuts and Jobs Act,” was enacted into law on December 22, 2017 (the “**Tax Act**”). The Tax Act makes significant changes to many aspects of the Code that could have an impact on future property development. The Tax Act reduces the amount of mortgage interest expense and state local income tax and

property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the District and could adversely affect the sale of homes by the developers. However, neither the City nor the developers can predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District, the rate at which homes in the District are sold to individual homeowners, or the ability or willingness of homeowners to pay special taxes or property taxes on taxable property within the District. The appraised values in the Appraisal do not take into account any of potential impacts of the Tax Act on home values or home sales in the District.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled “VALUE OF PROPERTY WITHIN THE DISTRICT – Priority of Lien” shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels in the District subject to a Special Tax. The table also states the additional amount of general obligation bonds the tax for which, if and when issued, may become an obligation of one or more of the parcels in the District subject to a Special Tax. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels in the District subject to a Special Tax.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels in the District subject to a Special Tax and may be secured by a lien on a parity with the lien of the Special Tax securing the 2021 Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2021 Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See “– Bankruptcy Delays” below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Special Tax Formula and the Mello-Roos Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See “SECURITY FOR THE 2021 BONDS – Special Tax Formula.”

In addition, although the Mello- Roos Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Mello- Roos Act have not been tested, meaning that such property could become exempt from the Special Tax. The Mello- Roos Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the FDIC, the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2021 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied under the Act.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the 2021 Bonds.

Depletion of 2021 Reserve Account of the Reserve Fund

The 2021 Reserve Account of the Reserve Fund is to be maintained at an amount equal to the Reserve Requirement as defined in the Fiscal Agent Agreement. See "SECURITY FOR THE 2021 BONDS – Reserve Fund." The 2021 Reserve Account of the Reserve Fund will be used to pay principal of and interest on the 2021 Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the District. If the 2021 Reserve Account of the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the 2021 Bonds under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the annual Maximum Annual Special Tax rates, it is possible that no replenishment would be achieved if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the 2021 Reserve Account of the

Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE 2021 BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2021 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2021 Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the 2021 Bonds and the possibility of delinquent Special Taxes not being paid in full.

To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2021 Bonds on a timely basis.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the "pre-petition taxes"), but unpaid taxes imposed after the filing of the bankruptcy petition ("post-petition taxes") were declared to be unsecured "administrative expenses" of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

According to the court's ruling, as administrative expenses, post-petition taxes would have to be paid, but only if the debtor had sufficient assets not subject to other perfected security interests to do so. In certain circumstances, payment of such administrative expenses may also be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through

foreclosure or otherwise) it would at that time again become subject to and would secure liens for then current and future *ad valorem* taxes.

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit's holding. Pursuant to state law, the lien date for general *ad valorem* property taxes levied in the State of California is the January 1 preceding the Fiscal Year for which the taxes are levied. Under the *Glasply* holding, a bankruptcy petition filing would have prevented the lien for general *ad valorem* property taxes levied in Fiscal Years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the *Glasply* holding was for the most part subsequently rendered inoperative with respect to the imposition of a lien for and the collection of *ad valorem* taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the "Bankruptcy Reform Act") passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code's automatic stay provisions, "the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition" by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of *ad valorem* taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending.

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as "administrative expenses," rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within the District who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as "administrative expenses" of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term "*ad valorem* taxes."

Disclosure to Future Purchasers

The City has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider

such special tax obligation in the purchase of a parcel of land or a home in the District or the lending of money secured by property in the District. The Mello-Roos Act and the City's Mello-Roos Act Goals and Policies require the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The 2021 Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the 2021 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bond owner is given the right for the equal benefit and protection of all Bond owners similarly situated to pursue certain remedies. So long as the 2021 Bonds are in book-entry form, DTC will be the sole Bond owner and will be entitled to exercise all rights and remedies of Bondholders, in accordance with its procedures and rules.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the 2021 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 2021 Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the 2021 Bonds were to become includable in gross income for purposes of federal income taxation, the 2021 Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional redemption, mandatory sinking fund redemption or special mandatory redemption upon prepayment of the Special Taxes. See "THE 2021 BONDS – Redemption."

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bond owners from realizing the full current benefit of the tax status of such interest.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2021 Bonds will be selected for audit by the IRS. It is also possible that the market value of such 2021 Bonds might be affected as a result of such an audit (or by an audit of similar bonds or securities).

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have

exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2021 Bonds.

Proposition 218 – Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIC and XIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIIC and XIID of the State Constitution. The amendments to Article XIIC limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIID requires that all new local taxes be submitted to the electorate before they become effective. Special Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the 2021 Bonds were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the 2021 Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Case Law Related to the Mello-Roos Act

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district established under the City’s charter (the “Charter”) and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of all of the real property in the entire City. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax.

The *San Diego* Court held that the CCFD special tax election did not comply with the City's Charter and with applicable provisions of the California Constitution -- specifically Article XIII A, section 4 ("Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district....") and Article XIII C, section 2(d) ("No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.") -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to the District, there were fewer than 12 registered voters within the District at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on residential property pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court's holding does not apply to the special tax election in the District.

Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Mello-Roos Act may be challenged by a third party:

53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Mello-Roos Act] shall be commenced within 30 days after the special tax is approved by the voters....

53359. An action to determine the validity of bonds issued pursuant to [the Mello-Roos Act] or the validity of any special taxes levied pursuant to [the Mello-Roos Act] ... shall be commenced within 30 days after the voters approve the issuance of the bonds or the special tax ...

Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: "Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax...."

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Mello-Roos Act and, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired. Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that any 2021 Bonds can be sold for any particular price. Prices of

bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the 2021 Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2021 Bonds for audit examination, or the course or result of any IRS audit or examination of the 2021 Bonds or obligations that present similar tax issues as the 2021 Bonds.

COVID-19 Pandemic

The spread of the COVID-19 coronavirus pandemic, and responses intended to slow its spread, may result in negative impacts to the homebuilding operations and sales of homes within the District. In addition, no assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Taxes by the City for the payment of the Bonds.

In March, 2020, several counties throughout the State announced shelter-in-place (“**Shelter-in-Place**”) emergency orders. On March 19, 2020, California’s Governor announced a similar Shelter-in-Place emergency executive order (N 33-20) effective for the entire State. On May 4, 2020, the Governor announced that the State would soon begin Phase 2 of lifting Shelter-in-Place restrictions, which allowed for many retail stores to re-open and other forms of manufacturing and construction to resume, provided individual counties adhere to certain attestation processes concerning the local spread of COVID-19. Beginning in early May, 2020, Sacramento County began relaxing its Shelter-in-Place order, consistent with State variances, and allowing certain businesses to reopen. On July 13, 2020, in response to further increases in caseloads throughout the State, the Governor announced statewide closures of certain businesses, such as indoor gyms and fitness centers, hair and nail salons, malls, places of worship, and non-critical offices. Further actions to alternately loosen and tighten restrictions to slow the spread of COVID-19 are expected as, and to the extent, caseloads continue to fall and rise. Additional shelter-in-place orders were announced for parts of the State in December 2020.

In addition to the Shelter-in-Place orders described above, as a measure to assist certain taxpayers impacted by COVID-19, on May 6, 2020 the Governor of the State issued Executive Order N-61-20, which waives penalties and interest on property tax installments for residential property occupied by the taxpayer and certain other real property which is used for a small business, subject to certain filing requirements and proof of economic hardship due to COVID-19 or any local, state or federal response to COVID-19. The order applies to taxes levied in Fiscal Year 2019-20 and not delinquent prior to March 4, 2020, and waives and forgives penalties and interest through May 6, 2021.

Notwithstanding the foregoing, Lennar Homes has not experienced any material stoppage in development or construction activities with respect to the land in the District, and the City has not experienced any material delinquencies in the payment of Special Taxes impairing its ability to pay debt service on the Bonds.

The COVID-19 outbreak is ongoing, and its duration and severity and economic effects are uncertain in many respects. Uncertain too are the additional actions that may be taken by federal, State and local governmental authorities to contain or mitigate the effects of the outbreak.

Negative impacts on the collection of Special Taxes could occur because Special Tax payments are deferred, or some taxpayers may be unable to make their property and special tax payments. Additionally, the value of property on future secured property tax rolls could be reduced, which will not be known until the applicable tax roll is released. The negative impacts of COVID-19 and efforts to contain its spread may reduce or negatively affect the pace of development activity in the District, as well as home sales, home prices, property values and/or the ability or willingness of property owners to pay Special Taxes levied upon their property, all of which could impact the City's ability to pay debt service on the Bonds.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the District, or the administration of the 2021 Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 2021 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the City, the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Potential Early Redemption of Bonds from Prepayments

Property owners within the District, including Lennar Homes and individual homeowners, are permitted to prepay their Special Tax obligation at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in a redemption of the Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

LEGAL MATTERS**Legal Opinion**

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the 2021 Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX E.

Jones Hall, A Professional Law Corporation, San Francisco, California, has served as Disclosure Counsel to the City. Meyers Nave, A Professional Law Corporation, Sacramento, California, will pass upon certain legal matters for the City as its City Attorney. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter.

No Litigation

At the time of delivery of the 2021 Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the District has been served with process or threatened, which (i) in any way questions the powers of the City Council or the City, (ii) in any way questions the validity of any proceeding taken by the City Council in connection with the issuance of the 2021 Bonds, (iii) wherein an unfavorable decision, ruling or finding could have a material adverse effect on the transactions contemplated by the purchase contract with respect to the 2021 Bonds, (iv) which, in any way, could adversely affect the validity or enforceability of the resolutions of the City Council adopted in connection with the formation of the District or the issuance of the 2021 Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Agreement or the purchase contract with respect to the 2021 Bonds, (v) to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the 2021 Bonds for federal income tax purposes, or (vi) in any other way questions the status of the 2021 Bonds under State tax laws or regulations.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the 2021 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2021 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2021 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2021 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2021 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2021

Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2021 Bonds who purchase the 2021 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2021 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2021 Bond (said term being the shorter of the 2021 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2021 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2021 Bond is amortized each year over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium 2021 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2021 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2021 Bonds, or as to the consequences of owning or receiving interest on the 2021 Bonds, as of any future date. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2021 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2021 Bonds, the ownership, sale or disposition of the 2021 Bonds, or the amount, accrual or receipt of interest on the 2021 Bonds.

CONTINUING DISCLOSURE

The City

The City has covenanted for the benefit of owners of the 2021 Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City's Fiscal Year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for Fiscal Year 2020-21 (due by April 1, 2022) and to provide notices of the occurrence of certain enumerated events. Additionally, Lennar Homes has covenanted for the benefit of owners of the 2021 Bonds to provide certain information with respect to the property owned by it and its Affiliates (as defined in the Continuing Disclosure Certificate) within the District (the "**Developer Annual Report**") to owners of the 2021 Bonds (so long as it is responsible for a certain percentage of the Special Taxes), as described in the Developer Annual Report, and to provide notices of the occurrence of certain enumerated events.

The City Annual Report and the Developer Annual Report and notices of listed events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City and Lennar Homes is summarized in "APPENDIX F – Form of Continuing Disclosure Undertakings."

A review of the City's compliance with prior continuing disclosure undertakings in the last five years indicates that the City's annual report for Fiscal Year 2014-15 was not filed with all required information until July 6, 2016. Relatedly, certain information required in the annual reports for Fiscal Year 2014-15 did not conform to the applicable continuing disclosure undertakings for bond issues that have been refunded. [*Note: To be confirmed by Underwriter.*]

The City has retained Goodwin Consulting Group, Inc. to serve as dissemination agent with respect to the filings to be made with respect to the 2021 Bonds and its other undertakings under the Rule.

Lennar Homes

Lennar Homes is not an obligated party under the Rule, but has voluntarily agreed to provide annual continuing disclosure for the benefit of Bond owners. Lennar Homes will enter into a Continuing Disclosure Certificate (Developer) covenanting to provide certain information regarding the development of its property and notice of certain material events as they occur until such time as Lennar Homes owns property in the District responsible for less than 20% of the special tax levy for the District.

Lennar Homes represents that, other than as set forth in this paragraph, in the last five years, it has not failed to comply in any material respects with its previous continuing disclosure undertakings, specifically regarding its requirement to provide developer periodic reports or to provide notice of occurrence of enumerated events. In connection with a continuing disclosure obligation entered into with respect to the \$12,850,000 County of El Dorado Community Facilities District No. 2014-1 (Carson Creek) Special Tax Bonds Series 2016, Lennar Homes was late in filing the periodic reports due on April 1, 2017 and October 1, 2017. The oversight was discovered in late January 2018, and Lennar Homes promptly filed a curative report on February 1, 2018.

NO RATING

The City has not obtained a formal credit rating on the 2021 Bonds and does not anticipate obtaining one on the 2021 Bonds in the future. Prospective purchasers of the 2021 Bonds are required to make independent determinations as to the credit quality of the 2021 Bonds and their appropriateness as an investment.

UNDERWRITING

The 2021 Bonds are being purchased by Piper Sandler & Co. (the “**Underwriter**”), at a purchase price of \$_____ (which represents the aggregate principal amount of the 2021 Bonds (\$_____), [plus/minus][net] original issue [premium/discount] of \$_____, and less an Underwriter’s discount of \$_____).

The purchase agreement relating to the 2021 Bonds provides that the Underwriter will purchase all of the 2021 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

PROFESSIONAL FEES

In connection with the issuance of the 2021 Bonds, some or all of fees or other compensation payable to certain professionals is contingent upon the issuance and delivery of the 2021 Bonds. Those professionals include:

- Piper Sandler & Co., as the Underwriter;
- Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel;
- Kutak Rock LLP, as Underwriter’s Counsel;
- Goodwin Consulting Group, Inc., as Special Tax Consultant;
- NHA Advisors, LLC, as Municipal Advisor; and
- U.S. Bank National Association, as Fiscal Agent for the 2021 Bonds.

EXECUTION

The execution and delivery of the Official Statement by the City has been duly authorized by the City Council, acting as the legislative body of the District.

CITY OF RANCHO CORDOVA

By: _____
Chief Financial Officer

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B
THE APPRAISAL

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX D

**SACRAMENTO COUNTY AND CITY OF RANCHO CORDOVA
DEMOGRAPHIC INFORMATION**

The following information concerning the City of Rancho Cordova (the “City”) and the County of Sacramento (the “County”) is included only for the purpose of supplying general information regarding the area of the City and County. The 2021 Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City. The City was incorporated on July 1, 2003, is located in the northeastern portion of the County, 10 miles east of downtown Sacramento and 90 miles northeast of San Francisco. Organized as a General Law City under State law, the City operates under the Council-Manager form of government with five members elected to the Council, one of which serves as mayor for a year.

The County. The County was incorporated in 1850 as one of the original 27 counties of the State. The County’s largest city, the City of Sacramento serves as the seat of government for both the County and the State. Sacramento became the State Capital in 1854. The County is the major component of the Sacramento Metropolitan Statistical Area (“SMSA”), which includes Sacramento, El Dorado, and Placer Counties.

The County encompasses approximately 994 square miles in the northern portion of the Central Valley, which is California’s prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

Population

The following table lists population estimates for the City, the County and the State for the last five calendar years, as of January 1, 2020.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2016 through 2020, as of January 1**

<u>Calendar Year</u>	<u>City of Rancho Cordova</u>	<u>County of Sacramento</u>	<u>State of California</u>
2016	72,749	1,496,385	39,131,307
2017	74,492	1,512,721	39,398,702
2018	75,937	1,527,132	39,586,646
2019	77,438	1,541,301	39,695,376
2020	78,381	1,555,365	39,782,870

Source: State Department of Finance.

Employment and Industry

The unemployment rate in the Sacramento–Roseville–Arden–Arcade MSA was 7.6 percent in October 2020, down from a revised 8.7 percent in September 2020, and above the year-ago estimate of 3.3 percent. This compares with an unadjusted unemployment rate of 9.0 percent for California and 6.6 percent for the nation during the same period. The unemployment rate was 6.4 percent in El Dorado County, 6.0 percent in Placer County, 8.4 percent in Sacramento County, and 6.2 percent in Yolo County.

The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry for the Sacramento MSA for calendar years 2015 through 2019.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Sacramento–Roseville–Arden–Arcade MSA
(El Dorado, Placer, Sacramento and Yolo Counties)
March 2019 Benchmark
Annual Averages

TITLE	2015	2016	2017	2018	2019
<u>Civilian Labor Force</u> ⁽¹⁾	1,052,800	1,068,300	1,075,300	1,089,600	1,101,000
Employment	991,200	1,012,000	1,026,400	1,048,200	1,061,400
Unemployment	61,700	56,400	48,900	41,400	39,600
Unemployment Rate	5.9%	5.3%	4.5%	3.8%	3.6%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	9,400	9,700	9,800	9,100	8,800
Goods Producing	87,100	91,600	94,800	100,900	105,500
Mining and Logging	400	400	400	500	500
Construction	50,300	55,000	58,700	64,500	68,400
Manufacturing	36,400	36,200	35,700	36,000	36,500
Wholesale Trade	24,400	25,500	26,500	28,400	28,700
Retail Trade	98,000	100,500	101,400	102,000	100,600
Trade, Transportation & Utilities	147,000	151,900	154,500	159,900	161,700
Transportation, Warehousing & Utilities	24,600	26,000	26,700	29,600	32,300
Information	14,200	13,800	12,600	12,400	11,900
Finance & Insurance	37,100	37,300	37,200	36,600	35,200
Real Estate & Rental & Leasing	13,800	14,500	15,200	16,800	17,400
Professional & Business Services	120,100	127,800	130,000	133,500	134,900
Educational & Health Services	140,900	146,500	153,600	159,800	166,400
Leisure & Hospitality	95,400	99,800	103,300	106,200	109,200
Other Services	30,900	31,700	33,000	34,200	35,100
Federal Government	13,700	14,000	14,200	14,100	14,200
State Government	115,300	116,600	118,400	120,400	122,500
Local Government	102,900	104,000	102,600	103,500	104,800
Total, All Industries	927,700	959,300	979,200	1,007,400	1,027,300

⁽¹⁾ Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

⁽²⁾ Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

⁽³⁾ Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2019

**CITY OF RANCHO CORDOVA
Principal Employers
As of June 2019**

Employer	Number of Employees	Percent of Total Employment
State of California	3,000	5.45%
Centene	2100	3.82
Delta Dental	1,600	2.91
Sacramento County Office of Edu.	1,300	2.36
Franklin Templeton	1,000	1.82
VSP Global	1,000	1.82
Foundation Health Special Svc	900	1.64
J P Aerospace	709	1.29
Mather Aerospace Modelers Inc.	709	1.29
Dignity Health	600	1.09

Source: City of Rancho Cordova, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019.

Major Employers

The following table lists the major employers within the County as of December 2020, in alphabetical order.

COUNTY OF SACRAMENTO
Major Employers
As of December 2020

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions	Folsom	Information Technology Services
American River College	Sacramento	Junior-Community College-Tech Institutes
AMPAC FINE CHEMICALS LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California Department-Crrctns	Sacramento	Insurance Agents Brokers & Service
California Prison Ind Auth	Folsom	Government Offices-State
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Corrections Department	Sacramento	State Govt-Correctional Institutions
Dept of Transportation In Ca	Sacramento	Government Offices-State
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Division of Fiscal Svc	Sacramento	Services NEC
Employment Development Dept	Sacramento	Government Offices-State
Environmental Protection Agcy	Sacramento	State Government-Environmental Programs
Intel Corp	Folsom	Semiconductor Devices (mfrs)
Kaiser Permanente South	Sacramento	Hospitals
L A Care Health Plan	Sacramento	Health Plans
Mercy General Hospital	Sacramento	Hospitals
Mercy San Juan Medical Ctr	Carmichael	Hospitals
Sacramento Municipal Utility	Sacramento	Electric Contractors
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
Smud	Sacramento	Electric Companies
State Compensation Ins Fund	Sacramento	Insurance
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals
Water Resource Dept	Sacramento	Government Offices-State

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2017 through 2021.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, THE STATE OF CALIFORNIA
AND THE UNITED STATES
Effective Buying Income**

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
2017	City of Rancho Cordova	\$1,572,336	\$50,181
	County of Sacramento	35,596,193	50,219
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Rancho Cordova	\$1,670,182	\$52,992
	County of Sacramento	38,238,821	54,343
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Rancho Cordova	\$1,747,688	\$54,335
	County of Sacramento	40,651,806	56,387
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Rancho Cordova	1,882,411	57,795
	County of Sacramento	42,705,779	59,288
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Rancho Cordova	2,040,016	62,867
	County of Sacramento	45,067,224	62,945
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc for years 2017 through 2018; Claritas, LLC for 2019 through 2021.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during two quarters of calendar year 2020 in the City were reported to be \$773,756,390 a 7.64% decrease in total taxable sales of \$832,838,269 reported during two quarters of calendar year 2019. Annual figures are not yet available for calendar year 2020.

CITY OF RANCHO CORDOVA
Taxable Transactions
(Dollars in Thousands)

	<u>Retail and Food Services Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2015	1,168	894,063	2,072	1,486,661
2016	1,197	945,115	2,076	1,503,314
2017	1,274	1,000,266	2,169	1,512,491
2018	1,311	1,101,787	2,345	1,619,685
2019	1,355	1,170,421	2,487	1,672,142

Source: California State Board of Equalization

Total taxable sales during two quarters of calendar year 2020 in the County were reported to be \$12,499,130,762 a 2.13% decrease in total taxable sales of \$12,771,690,515 reported during two quarters of calendar year 2019.

COUNTY OF SACRAMENTO
Taxable Transactions
(Dollars in Thousands)

	<u>Retail and Food Services Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2015	23,543	\$15,396,375	36,121	\$22,043,196
2016	24,383	16,016,856	36,915	23,184,499
2017	24,501	16,934,872	37,317	24,610,617
2018	24,501	16,934,872	39,066	25,443,669
2019	25,530	18,156,992	40,858	26,717,621

Source: California State Board of Equalization

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County. Annual figures are not yet available for calendar year 2020.

CITY OF RANCHO CORDOVA
Total Building Permit Valuations
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Permit Valuation</u>					
New Single-family	\$111,287.7	\$94,307.0	\$62,318.3	\$104,525.9	\$158,521.8
New Multi-family	0.0	0.0	25,608.8	3,069.2	0.0
Res. Alterations/Additions	<u>3,893.2</u>	<u>3,858.3</u>	<u>4,198.9</u>	<u>3,798.0</u>	<u>3,492.2</u>
Total Residential	\$115,180.9	\$98,165.3	\$92,126.0	\$111,393.1	\$162,014.0
New Commercial	\$1,806.0	\$9,167.8	\$1,740.8	\$10,152.0	\$2,320.7
New Industrial	0.0	0.0	0.0	11,662.0	336.0
New Other	5,952.0	17,122.3	1,769.7	805.7	1,336.2
Com. Alterations/Additions	<u>25,351.5</u>	<u>21,979.6</u>	<u>1,579.5</u>	<u>26,283.6</u>	<u>24,046.0</u>
Total Nonresidential	\$33,109.5	\$48,269.7	\$5,090.0	\$48,903.3	\$28,038.9
<u>New Dwelling Units</u>					
Single Family	402	319	217	217	561
Multiple Family	<u>0</u>	<u>0</u>	<u>199</u>	<u>50</u>	<u>0</u>
TOTAL	406	319	316	267	561

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SACRAMENTO
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Permit Valuation</u>					
New Single-family	\$547,340.7	\$611,073.6	\$744,006.3	\$1,069,568.4	\$1,108,399.9
New Multi-family	108,510.7	83,282.9	9,702.6	158,638.0	265,188.8
Res. Alterations/Additions	<u>241,507.7</u>	<u>255,821.8</u>	<u>214,028.1</u>	<u>276,723.6</u>	<u>293,210.5</u>
Total Residential	897,359.1	950,178.3	967,737.0	1,504,930.0	1,666,799.2
New Commercial	161,016.0	489,080.1	298,496.6	303,805.9	666,664.3
New Industrial	0.0	150.0	3,026.0	14,151.1	31,851.4
New Other	92,108.8	126,750.6	112,607.4	128,325.7	105,555.1
Com. Alterations/Additions	<u>394,304.5</u>	<u>418,862.1</u>	<u>265,276.7</u>	<u>518,663.2</u>	<u>700,604.0</u>
Total Nonresidential	647,429.3	1,034,842.8	679,406.7	964,945.9	\$1,504,674.8
<u>New Dwelling Units</u>					
Single-Family	2,358	276	3,174	3,589	3,981
Multiple Family	<u>815</u>	<u>609</u>	<u>66</u>	<u>1,272</u>	<u>184</u>
TOTAL	3,173	885	3,240	4,861	4,165

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670

OPINION: \$_____ City of Rancho Cordova Grantline 208 Community Facilities
District No. 2018-1 Special Tax Bonds Series 2021

Members of the City Council:

We have acted as bond counsel to the City of Rancho Cordova (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement, dated December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent. We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein, and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City.
3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms.
4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as defined in the Fiscal Agent Agreement) and the other sources pledged for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

CONTINUING DISCLOSURE CERTIFICATE
(City)

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the City of Rancho Cordova, a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (the “City”), in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”), by and between the City and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the City’s Fiscal Year (currently April 1 based on the City’s Fiscal Year end of June 30).

“*Dissemination Agent*” means Goodwin Consulting Group, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*EMMA System*” means the Electronic Municipal Market Access system of the MSRB or such other electronic system designated by the MSRB or the Securities and Exchange Commission for compliance with the Rule.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Piper Sandler & Co., as the initial underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2022, with the report for Fiscal Year 2020-21, provide to the MSRB through the EMMA System an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner to the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. This submission should be made with the following caveat:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

- (1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.
- (2) Balance in Reserve Fund, including each reserve account therein.
- (3) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year, and whether the Special Tax levy is covered by the Teeter Plan.
- (4) Status of foreclosure proceedings and summary of results of foreclosure sales, if any.
- (5) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available without charge to the City).
- (6) Aggregate assessed value for all parcels in the District.
- (7) Until the Fiscal Year in which the Special Tax levied on the developed property in the District is greater than or equal to the annual debt service on the Bonds, the number of building permits issued by the City for single family residential homes in such Fiscal Year.

(c) For so long as there is any owner of property in the District whose properties in the District collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in the District:

- (1) Significant amendments to land use entitlements.
- (2) Status of any legislative, administrative and judicial challenges to the construction of the development known to the City.

(3) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in the District for the current (as of the date of the report) Fiscal Year.

(4) List of landowners (as shown County Assessor's tax roll) and assessor's parcel number(s) of parcels held by owners whose properties collectively represent 10% or more of the Special Taxes for the current (as of the date of the report) Fiscal Year.

(5) Number of building permits issued by the City for property in the District for the reported Fiscal Year.

(d) In addition to any of the information expressly required to be provided under paragraphs (a), (b) and (c) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Rating Changes.
- (7) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (8) Modifications to rights of security holders, if material.
- (9) Bond calls, if material, and tender offers.
- (10) Defeasances.
- (11) Release, substitution, or sale of property securing repayment of the securities, if material.
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for a definition of “financial obligation,” see clause (e)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for a definition of “financial obligation,” see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Goodwin Consulting Group, Inc.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (1) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (2) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that

which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate will be accompanied by identifying information as prescribed by the MSRB.

Section 12. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Fiscal Agent, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2021

CITY OF RANCHO CORDOVA for and on
behalf of CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY
FACILITIES DISTRICT NO. 2018-1

By: _____
Authorized Officer

AGREED AND ACCEPTED:

GOODWIN CONSULTING GROUP,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Rancho Cordova

Name of Bond Issue: Grantline 208 Community Facilities District No. 2018-1
Special Tax Bonds Series 2021

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _____, 2021 executed by the City and countersigned by Goodwin Consulting Group, as dissemination agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

**CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

Relating to:

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

THIS CONTINUING DISCLOSURE CERTIFICATE (DEVELOPER) (the “Disclosure Certificate”) dated as of _____, 2021, is executed and delivered by Lennar Homes of California, Inc., a California corporation (the “Developer”) in connection with the issuance by the City of Rancho Cordova (the “City”), of its \$ _____ City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds Series 2021 (the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of December 1, 2019, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of January 1, 2021 (together, the “Fiscal Agent Agreement”), by and between the City and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The Developer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“Affiliate” of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person, 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

“Assumption Agreement” means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the District), whereby such Major Owner or Affiliate agrees to provide Periodic Reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and its Affiliates and, at the option of the Developer or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof.

“Dissemination Agent” means the entity acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Developer, the City, and the Fiscal Agent a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

“District” means the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“Major Owner” means, as of any Report Date, an owner of land in the District that is responsible in the aggregate for 20% or more of the Special Taxes in the District anticipated to be levied at any time during the then-current Fiscal Year.

“Official Statement” means the final official statement executed by the City in connection with the issuance of the Bonds.

“Participating Underwriter” means Piper Sandler & Co., the original underwriter of the Bonds.

“Periodic Report” means any Periodic Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means the property in the District that is owned by the Developer or any Affiliate of the Developer.

“Report Date” means April 1 of any Fiscal Year. If, in any year, the Report Date falls on a Saturday, Sunday, or a holiday, such Report Date shall be extended to the next following day that is not a Saturday, Sunday, or holiday.

“Special Taxes” means the special taxes of the District levied on taxable property within the District.

Section 3. Provision of Periodic Reports.

(a) The Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing April 1, 2021, file or cause to be filed with EMMA a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination

Agent (if different from the Developer), the Participating Underwriter and the City to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Developer that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Developer to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Developer does not provide, or cause the Dissemination Agent to provide, a Periodic Report to EMMA by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A, with a copy to City and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with EMMA and file a report with the Developer (if the Dissemination Agent is other than the Developer), the City and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with EMMA.

Section 4. Content of Periodic Reports. The Developer's Periodic Report shall contain or incorporate by reference the information set forth in Exhibit B relating to the Developer, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Developer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Developer shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit B, the Developer's Periodic Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) The Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Developer and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Developer that is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on its Property or to sell or develop the Property;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property on or prior to the delinquency date;

(iii) filing of a lawsuit of which the Developer is aware against the Developer or an Affiliate seeking damages, which is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on its Property or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Developer on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Developer shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with EMMA, with a copy to the City and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All the Developer's obligations hereunder shall commence on the date hereof and terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) at such time as Property owned by the Developer is no longer responsible for payment of 20% or more of the Special Taxes levied in the District, or

(iii) the date on which the Developer prepays in full all of the Special Taxes attributable to the Property.

The Developer shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Developer hereunder with respect to the property in the District owned by such Major Owner and its Affiliates may be assumed by such Major Owner or by an Affiliate thereof, and if so assumed the Developer's obligations hereunder with respect to such portion of the Property will be terminated. In order to effect such an assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement. If not so assumed, the Developer shall report the information, as applicable to the transferee, required herein so long as the transferee is a Major Owner.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Developer. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Participating Underwriter and the Developer.

Section 8. No Amendment. The Developer may not amend this Disclosure Certificate.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Periodic Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Developer chooses to include any information in any Periodic Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Developer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Periodic Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance. Neither the Developer nor the Dissemination Agent shall have any liability to any holder or beneficial owner of the Bonds or any other party for monetary damages or financial liability of any kind whatsoever arising from or relating to this Disclosure Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight or electronic mail as follows:

To the Developer

Lennar Homes of California, Inc.
1025 Creekside Ridge Drive, Suite 240
Roseville, CA 95678
Email: Larry.Gualco@Lennar.com

To the City: City of Rancho Cordova
Attn: CFD Administrator
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Email: mmingay@cityofranhocordova.org

To the Participating
Underwriter: Piper Sandler & Co.
2321 Rosecrans Avenue, Suite 320
El Segundo, CA 90245
Email: Dennis.J.McGuire@pjc.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Developer (its successors and assigns), the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. All obligations of the Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Developer has executed this Disclosure Certificate as of the date first above written.

LENNAR HOMES OF CALIFORNIA, INC.,
A California corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE PERIODIC REPORT

Name of Issuer: City of Rancho Cordova

Name of Bond Issue: Grantline 208 Community Facilities District No. 2018-1
Special Tax Bonds Series 2021

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that _____ (the "Major Owner") has not provided a Periodic Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate (Developer) dated as of the date of issuance of such Bonds. The Developer anticipates that the Periodic Report will be filed by _____.

Dated: _____

_____,
Dissemination Agent

By: _____

Its: _____

cc: Developer

EXHIBIT B
PERIODIC REPORT

Relating to:

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 208 COMMUNITY FACILITIES DISTRICT NO. 2018-1
SPECIAL TAX BONDS
SERIES 2021

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Developer) (the "Disclosure Certificate") dated _____, 2021 executed by Lennar Homes of California, Inc., a California corporation (the "Developer") in connection with the issuance of special tax bonds by the City of Rancho Cordova (the "City") with respect to the City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 (the "District").

Capitalized terms used in this Periodic Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Periodic Report).

A. Property currently owned by the Developer or its Affiliates (if any) in the District (the "Property"):

Development name: _____

Number of lots (acreage if not subdivided): _____

B. Status of land development or construction activities:

C. Number of building permits pulled during the reporting period and the aggregate number of building permits for the Property developed by the Developer or an Affiliate (if any), and any significant amendments to land use or development entitlements:

D. Aggregate property sold, optioned or leased by the Developer or an Affiliate (if any) to end users or merchant builders:

Since the Date of Issuance of the Bonds		Since the Last Periodic Report	
Acres*	_____	Acres*	_____
Lots	_____	Lots	_____

* For bulk land sales only (excluding sales of finished lots or completed buildings).

E. Any updates to ownership of the Property by the Developer or an Affiliate (if any), as stated in the Official Statement, and any other changes in ownership, whether acquisition of land in the District by the Developer or an Affiliate (if any), or sales of land in the District to other property owners, distinguishing between (i) end users (e.g., single family homeowners), (ii) developers and (iii) merchant builders.

II. Legal and Financial Status of Developer

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of the Developer or the financial condition and financing plan of the Developer that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Developer or the Property contained in the Official Statement under the heading "THE DISTRICT – Development in the District" that would materially and adversely interfere with the Developer's ability to develop and sell the Property as described in the Official Statement.

V. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

The undersigned Developer hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Developer under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE DEVELOPER, THE DEVELOPMENT OF THE PROPERTY, THE DEVELOPER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE DEVELOPER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE DEVELOPER. THE DEVELOPER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE DEVELOPER HAS NO OBLIGATION TO UPDATE THIS PERIODIC REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

LENNAR HOMES OF CALIFORNIA, INC.,
A California corporation

By: _____

Name: _____

Title: _____

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

*Neither the issuer of the Bonds (the “**Issuer**”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “**Agent**”) take any responsibility for the information contained in this Appendix.*

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner will give notice to elect to have its Securities purchased or tendered, through its Participant, to the Agent, and will effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

MEMORANDUM



ITEM 12.2.

DATE: January 19, 2021

TO: Honorable Mayor and Council Members

FROM: Stefan Heisler, Housing Manager
Micah Runner, Deputy City Manager

SUBJECT: **DISCUSSION REGARDING POTENTIAL AFFORDABLE HOUSING PROJECT AT THE CORNER OF ANATOLIA DRIVE AND CHRYSANTHY BOULEVARD**

RECOMMENDATION

Receive information regarding a proposed affordable housing development on the southwest corner of Anatolia Drive and Chrysanthy Boulevard and provide direction whether to continue pursuing that project.

RESULT OF RECOMMENDED ACTION

Staff will continue to work with the proposing developer to prepare a complete development application and collaborate on efforts to secure public funding.

BACKGROUND

The sites in question are located at the southwest corner of Anatolia Drive and Chrysanthy Boulevard. They include the 6.79 acre site at 4321 Anatolia Drive (parcel number 067-0430-043-0000), the 1.14 acre site at 4381 Anatolia Drive (parcel number 067-0430-044-0000), and the 2.8 acre adjacent City-owned site between these two parcels with the parcel number 067-0430-037-0000. A map of the sites in question is attached to this report as Attachment 1.

These sites are zoned medium density residential, allowing up to 20 dwelling units per acre, within the Sunridge Specific Plan. The medium density housing designation within the Sunridge Specific Plan expressly purposes multi-family apartment style housing designed to be located with direct access to arterial streets, the pedestrian and bikeway network, and along the conceptual route of a public transportation shuttle route. Most medium density housing sites are near a neighborhood park and a neighborhood commercial center or larger commercial facility.

These sites are identified within the current 2013-2021 Housing Element as Regional Housing Needs Allocation (RHNA) sites for moderate income households. The in-process Housing

Element Update for 2021-2029 proposes to continue identifying them as RHNA but to identify them as low-income sites rather than moderate income sites in order to meet the increased RHNA allocation for Rancho Cordova in the next Housing Element Cycle.

Adjacent uses to the sites in question include a vacant commercial zoned area, a proposed self-storage facility, a water treatment facility, a drainage canal, a neighborhood park, single-family neighborhoods, and the Anatolia Clubhouse.

The City is considering pursuing an affordable housing development project at this location. The potential project would fit within the designated zone density limits and meet other development and design review standards. The concept includes approximately 130 +/- units split between a mix of two-story apartments for families and single-story cottages for seniors. The conceptual target incomes would be between 50% to 60% of the Area Median Income (approximately \$43,000-\$52,000 for a household of four people, or \$30,000-\$36,500 for a household of one person).

Attached to this report as Attachment 2 is a conceptual site plan of how the above mix of senior and family apartments could be arranged across all three of the sites in question.

Any housing development at this location would be required to meet design guidelines that ensure compatible architectural styles with the surrounding neighborhood.

The sites in question are ideally located for an affordable housing development as identified by State Opportunity Mapping, City of Rancho Cordova Housing Element policies, and prior City Council direction. The sites in question are located in a Moderate Resource Area, as defined by the Tax Credit Allocation Committee's 2021 Opportunity Area Mapping, and adjacent to the City of Rancho Cordova's only High Resource Area. High Resource Areas are characterized by high economic indicators, low environmental pollution factors, high math and reading test scores and on-time high school graduation rates. The primary State funding resources for affordable housing heavily incentivize projects located in Moderate and High Resource Areas.

Similarly, as the first potential affordable housing project in the Anatolia neighborhood and the City's newly developing areas, an affordable housing project at this location would begin to implement the City's Housing Element priority of integrating mixed-income housing throughout the community with special attention to our newly developing Specific Plan areas. Relevant Housing Element policies include Policy H.3.1 to create balanced neighborhoods without an overconcentration of affordable housing, Policy H.3.2 to provide a range of senior housing opportunities, and Policy H.3.3 to provide housing for special needs populations including large families.

Lastly, the City Council held a Housing Workshop in June 2020, where the City Council discussed, based on projected available affordable housing funding, priority locations for the next one to two affordable housing projects. Priority locations identified at this Workshop were the City-owned site adjacent to Fire Station 61 on Folsom Boulevard and the City-owned site

next to Anatolia Drive that is one of the sites included in this discussion.

As with most affordable housing projects, if directed to move forward on this project, there would be a City financial assistance request ranging between \$2-\$5 million. This funding could be secured through multiple methods such as donation of the City property, development impact fee assistance, and use of dedicated funding for affordable housing. If Council directs the project to move forward, staff will work with the proposing developer bring a formal request to the City Council.

The City has multiple sources of funding dedicated for affordable housing available to use on this project. These include HOME Consortium funding, SB 2 Permanent Local Housing Assistance, and the City's Housing Trust Development Impact Fee. These are noncompetitive funding sources and would assist in providing leverage to secure additional State affordable housing funding.

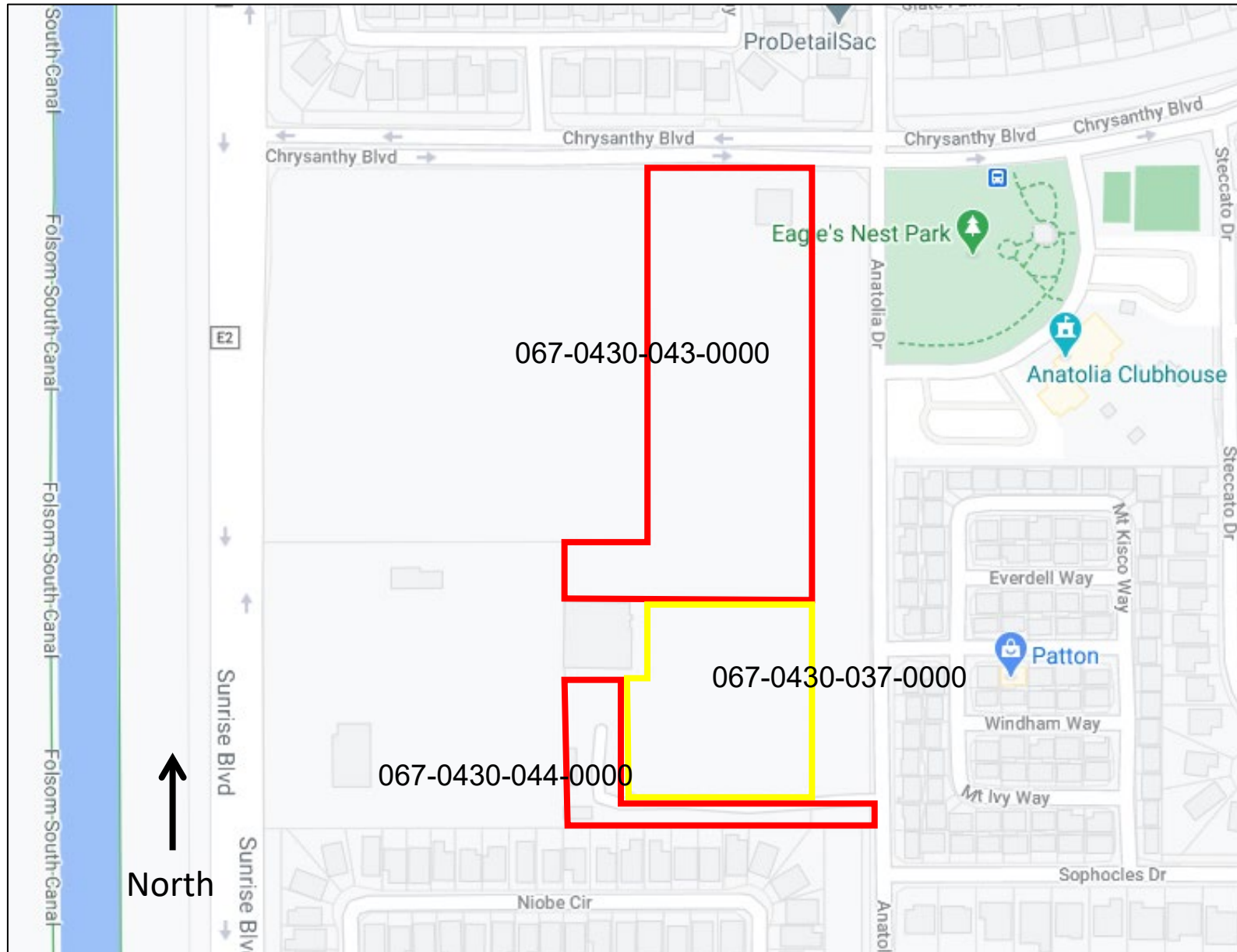
FISCAL IMPACT AND FUNDING SOURCE

If directed to move forward, there will be significant fiscal impact through providing City funding for the construction of a new affordable housing development. This City funding will be in the range of \$2-\$5 million and will likely include some combination of provision of the City-owned property at 4381 Anatolia Drive, development impact fee relief, and the use of City entitled funding dedicated for affordable housing.

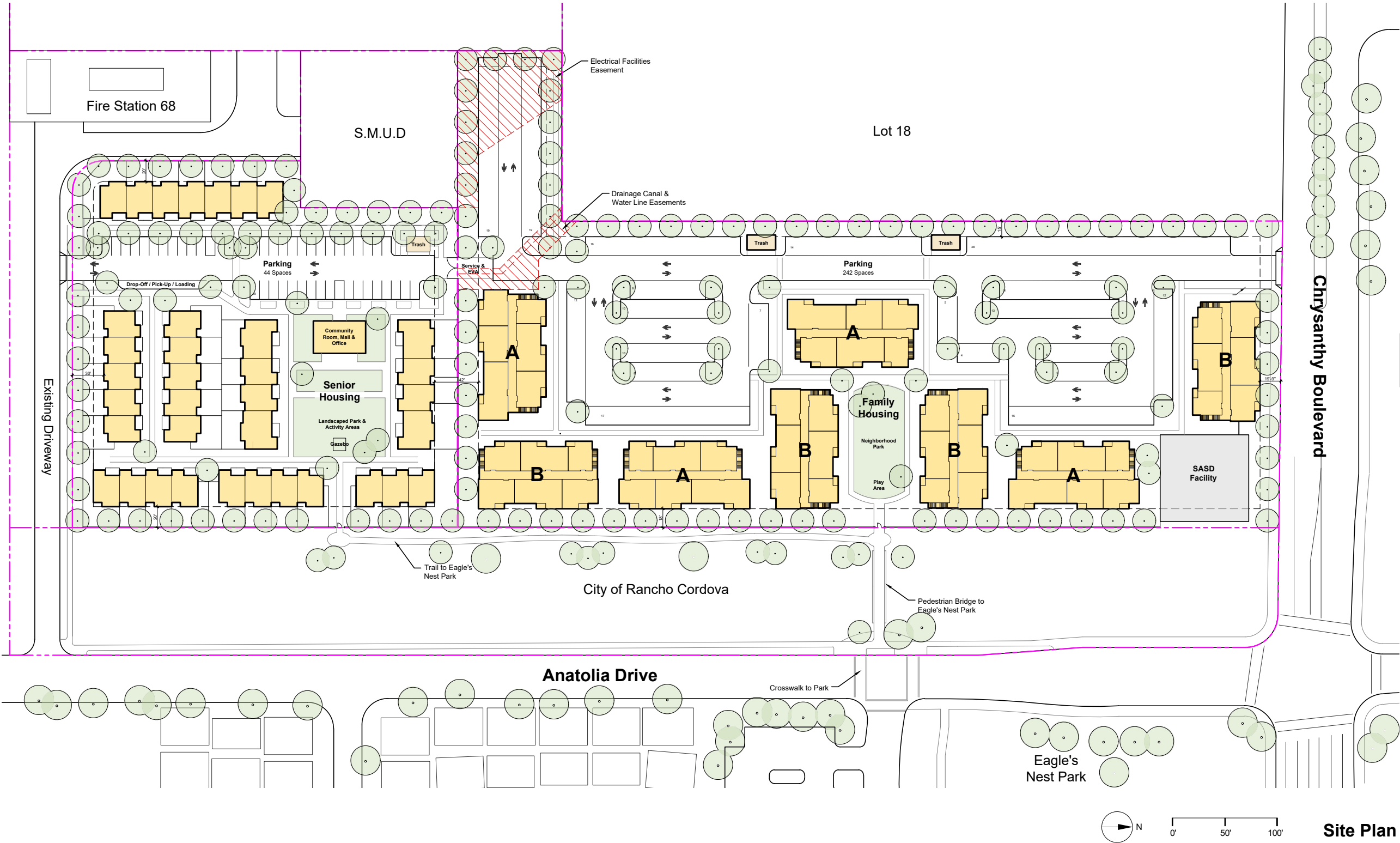
ATTACHMENT(S)

1. Anatolia Housing Project Site
2. Rancho Cordova Site Study - Family and Senior Cottages
3. Anatolia Housing Presentation

Potential Affordable Housing Project Location



K:\2020\202021 - 421 Madison Fairfield01_Working Files\2020_06_04 Initial Site Concept Study
Project Number: 22035-P01
09 . 23 . 2020



Project Information

Family Housing

Lot Area:	5.67 ac
Zoning Designation:	RD-20
Proposed Density:	17 du/ac
Building Height:	2-Stories, 30' (40' max allowed)
Lot Coverage:	23% (75% max allowed)
Parking Provided:	242 spaces (242 required)
	1 Bedroom 1.5/unit
	2+ Bedroom 2.0/unit
	Guest 0.6/unit

Unit Mix and Size Table:

Unit Type	Gross Unit Area	Percent	# of Units	Total Gross Unit Area
4 Bed	1,375	8%	8	11,000
3 Bed	1,130	25%	24	27,120
2 Bed	880	50%	48	42,240
1 Bed	607	17%	16	9,712
Total		100%	96	90,072
Avg Gross Unit Size				938

Senior Housing

Lot Area:	2.80 ac
Zoning Designation:	RD-20
Proposed Density:	13 du/ac
Building Height:	1-Story, 15' (40' max allowed)
Lot Coverage:	25% (75% max allowed)
Parking Provided:	44 spaces (22 req'd, 0.6/Unit)

Unit Mix and Size Table:

Unit Type	Gross Unit Area	Percent	# of Units	Total Gross Unit Area
2 Bed	1,090	11%	4	4,360
1 Bed	770	89%	32	24,640
Total		100%	36	29,000
Avg Gross Unit Size				806

Anatolia Affordable Housing Project

Potential Project Discussion

DISCUSSION OVERVIEW

The City has received interest from multiple developers to use a City-owned site and adjacent parcels for affordable housing

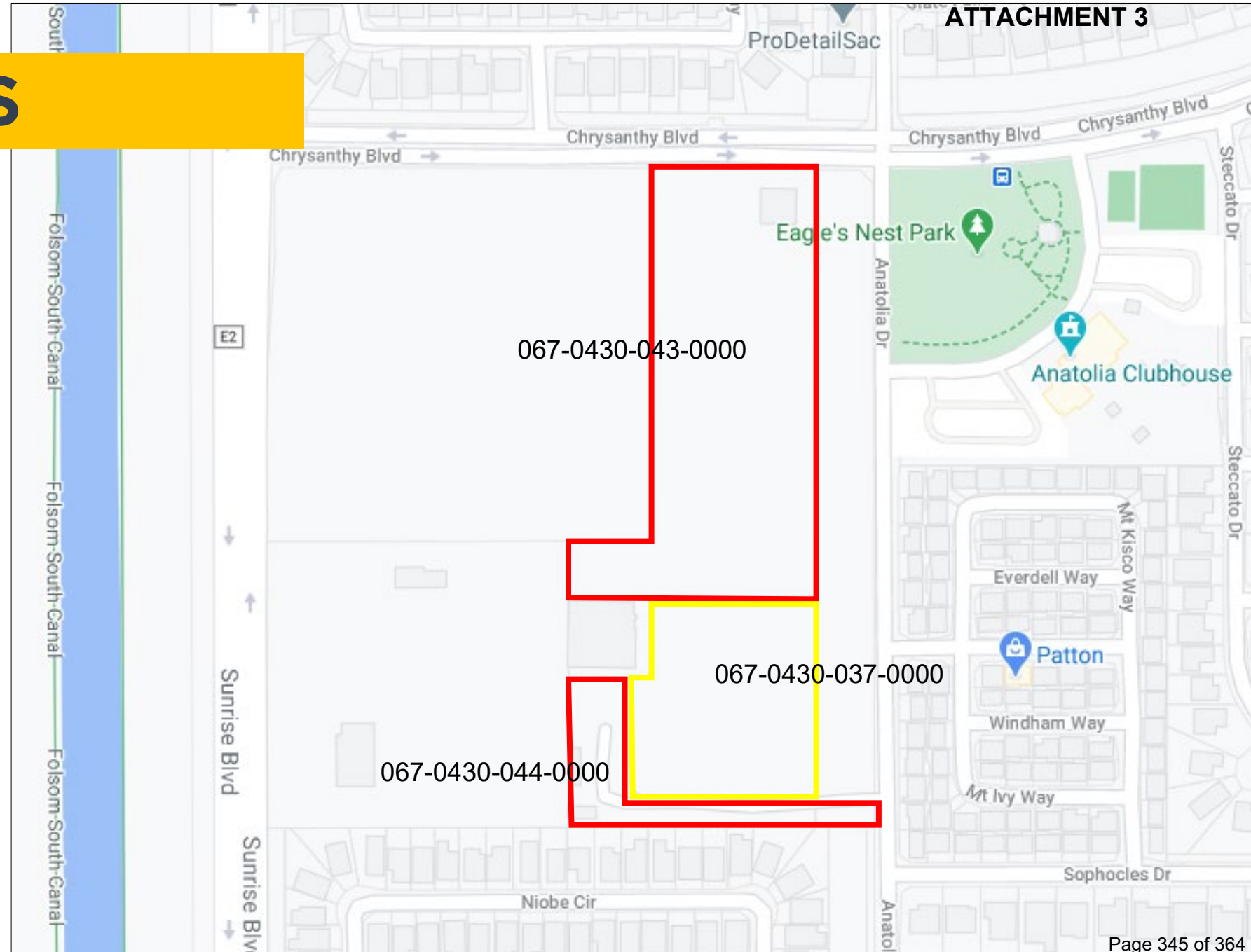
The goals of this meeting are:

- Share with Council the current affordable housing proposal and provide direction to staff
- Provide an early opportunity for residents to learn about the proposal and provide feedback

SITE DETAILS

3 parcels under consideration located at the southwest corner of Anatolia Drive and Chrysanthy Boulevard

-  2.8 Acre City-owned parcel
-  6.79 Acre and 1.14 Acre privately owned parcels



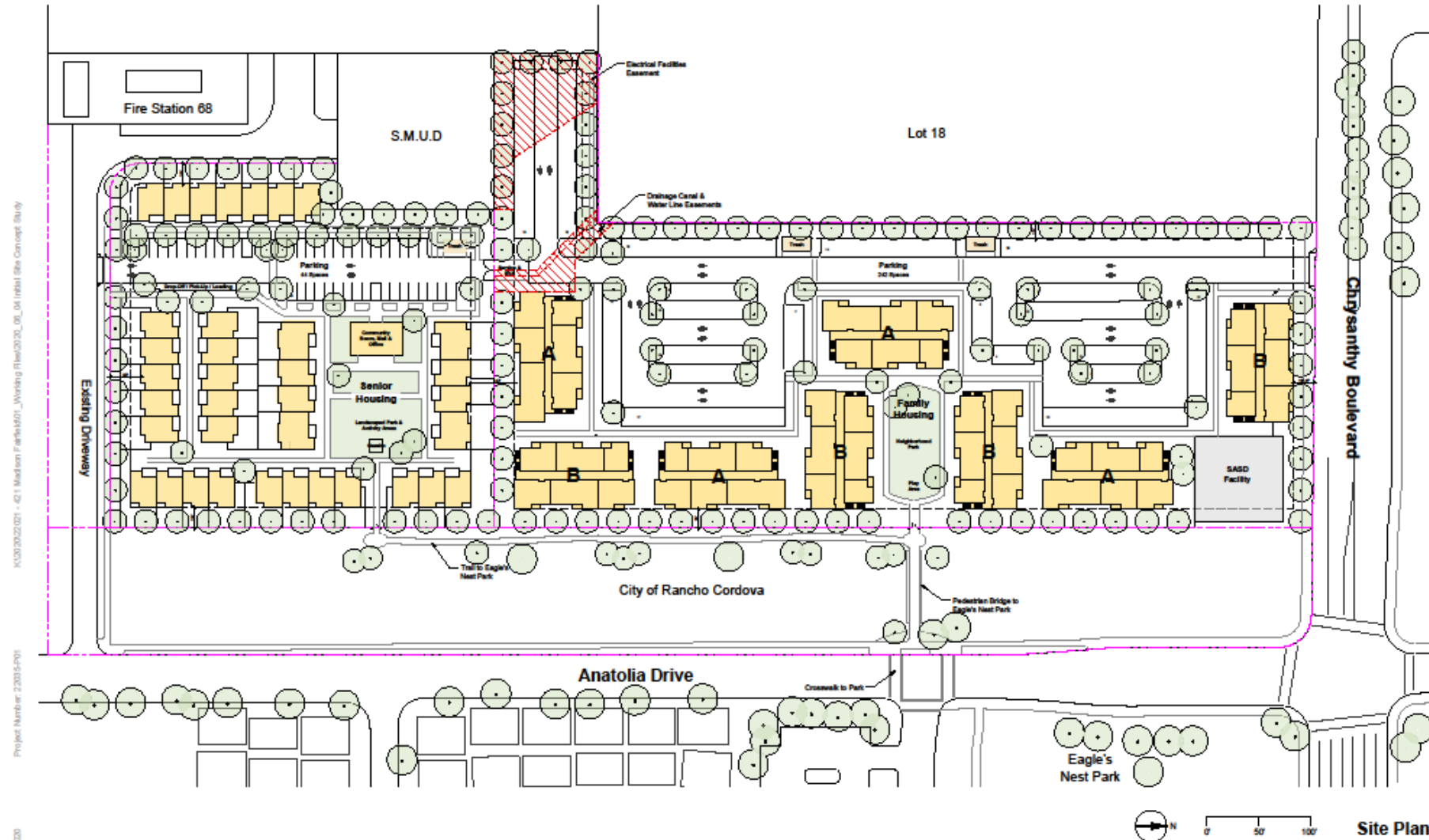
PROJECT CONCEPT

- Affordable rental housing for a mix of Seniors and Families
- Incomes targeted to 50%-60% Area Median Income (AMI)
 - (approximately \$43,000-\$52,000 for a household of four people, or \$30,000-\$36,500 for a household of one person).
- 130 +/- Units
- Medium density, less than 20 units/acre, fits with the existing zoning
- Single-story cottages for seniors, two-story apartments for families
- Will need to go through the City's standard Design Review process

CONCEPT DEVELOPMENT SITE PLAN

ITEM 12.2

ATTACHMENT 3



Project Information

Family Housing

Lot Area:	5.67 ac
Zoning Designation:	RD-20
Proposed Density:	17 du/ac
Building Height:	2-Stories, 30' (40' max allowed)
Lot Coverage:	23% (75% max allowed)
Parking Provided:	242 spaces (242 required)
	1 Bedroom 1.5/Unit
	2+ Bedroom 2.0/Unit
	Guest 0.5/Unit

Unit Mix and Size Table:

Unit Type	Gross Unit Area	Percent	# of Units	Total Gross Unit Area
4 Bed	1,375	8%	8	11,000
3 Bed	1,130	25%	34	27,120
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Total		100%	96	90,072
Avg Gross Unit Size				938

Senior Housing

Lot Area:	2.80 ac
Zoning Designation:	RD-20
Proposed Density:	13 du/ac
Building Height:	1-Story, 15' (40' max allowed)
Lot Coverage:	25% (75% max allowed)
Parking Provided:	44 spaces (22 req'd, 0.8/Unit)

Unit Mix and Size Table:

Unit Type	Gross Unit Area	Percent	# of Units	Total Gross Unit Area
2 Bed	1,090	11%	4	4,360
1 Bed	770	89%	32	24,640
Total		100%	36	29,000
Avg Gross Unit Size				806

Site Plan

09.23.2020

SGPA ARCHITECTURE
AND PLANNING

Chrysanthy Village
Rancho Cordova, California

- Site is located in a Moderate Resource Area, adjacent to the City's only High Resource Area according to the State's 2021 Opportunity Mapping, making it a good candidate for State funding
- The City's Housing Element has identified these sites as Regional Housing Needs Allocation (RHNA) sites for low-income housing
- Affordable housing at this location meets several City Housing Element policies:
 - Policy H.3.1 Create balanced neighborhoods without an overconcentration of affordable housing
 - Policy H.3.2 Provide a range of senior housing opportunities
 - Policy H.3.3 Provide housing for special needs populations such as large families
- At the June 2020 Housing Workshop Council identified this Anatolia site as a priority site to target for the City's next affordable housing project

FUNDING STRATEGY

If staff is directed to move forward with this project, there will be a financial gap of between \$2-5 million, which may be funded using a combination of the following sources; staff will finalize the funding request with the developer and return to Council in mid-2021:

- State HOME Consortium funding dedicated for affordable housing
- Development impact fee loans/waivers/reductions
- Donation of the City-owned parcel
- City Housing Trust funds dedicated for affordable housing
- State Permanent Local Housing Assistance funds allocated to the City for affordable housing

THANK YOU

COMMENTS AND QUESTIONS?



MEMORANDUM



ITEM 12.3.

DATE: January 19, 2021
TO: Honorable Mayor and Council Members
FROM: Stefan Heisler, Housing Manager
Micah Runner, Deputy City Manager
SUBJECT: **GREAT PLATES DELIVERED 2021 PROGRAM UPDATE AND DISCUSSION**

RECOMMENDATION

Receive presentation.

RESULT OF RECOMMENDED ACTION

Staff will provide an update on the local Great Plates Delivered program, describing where the program is today and the program strategy moving forward into 2021.

BACKGROUND

On April 24, Governor Gavin Newsom announced the launch of the Great Plates Delivered program with the two goals of helping seniors and other adults at high risk from COVID-19 to stay home by delivering three nutritious meals a day and providing essential economic stimulus to local businesses struggling to stay afloat during the COVID-19 crisis.

Since May 5, the City of Rancho Cordova has delivered meals through this program to qualifying seniors. The program has assisted 14 local restaurants and up to 153 seniors each week. As a partnership with the FEMA Public Assistance (PA) program, this program is dependent upon successive 30-day extensions being granted by FEMA. The program is currently extended through February 6, 2021. As of January 19, the Rancho Cordova program will have served over 84,500 total meals and will continue to serve approximately 9,040 meals each month. Beginning on December 21, the program began delivering on a 5-day per week schedule rather than 7 days per week.

On September 8, 2020 the City Council adopted a resolution approving contracts with 10 participating restaurants to increase from \$100,000 to an amount not to exceed \$200,000. Since that time, three restaurants have reached the \$200,000 contract limit and have transitioned out of the program. These are Brookfields Restaurant, Al-Noor Indian Cuisine, and

Denny's.

To continue ensuring that program benefits are spread across the business community staff are making every effort to bring in new qualifying businesses into the program rather than requesting an additional contract increase at this time. The current strategy for 2021 is to replace restaurants reaching the \$200,000 contract limit with new local restaurants. These new restaurants will begin contract in amounts not to exceed \$100,000, but may not use all of the contracted amount if FEMA does not extend the program or if the program is not a very good fit. Staff will continue working diligently with the restaurants to ensure program requirements are met.

New restaurants (and local food establishments) anticipated to begin operating in the program in 2021 are Cordova Parks and Recreation District, Steve's Pizza, Little Buddha Thai Bistro, Urban Grill and Salad, and Wacky Tacky.

If the Great Plates Delivered program is extended by FEMA through May 2021, and additional new restaurants cannot be identified, staff may return to Council with a request to increase the new local restaurant contracts up to \$200,000. Alternatively, staff can bring back capped out restaurants and return to Council with a request to increase these existing contracts from \$200,000 to \$300,000 each.

In preparation for the eventual end of the Great Plates program staff have begun having conversations with Meals on Wheels to provide a transition program to participating Great Plates seniors. This transition program would be a reduced version of the Great Plates program, still utilizing Rancho Cordova restaurants, but providing a reduced number of meals per week to a smaller subset of the current participating seniors. This would be over a period of two to five months after the Great Plates program has ended. Meals on Wheels is looking into submitting a Community Development Block Grant COVID Response Round 3 (CDBG-CV Round 3) that would provide funding for such a transition program.

FISCAL IMPACT AND FUNDING SOURCE

There is a 6.25% local cost share requirement to this program, however this local cost share can be met using CARES Act funding received by the City. Should the City not use its CARES Act funding for this program, the total impact to the City's General Fund for providing this program through May 2021 is not expected to exceed \$190,000.

The City is required to cover the initial expenses for the meals provided and then will request reimbursement from FEMA and the State of California. Total program costs through the end of May 2021 are expected to be approximately \$2,900,000. Staff have already submitted the initial FEMA PA grant application and have received the first expedited reimbursement of approximately \$305,000 from FEMA. Additional extensions and expedited reimbursement requests will continue to be filed with FEMA as the program is implemented in 2021.

ATTACHMENT(S)

1. Great Plates Presentation

GREAT PLATES DELIVERED

2021 Program Update

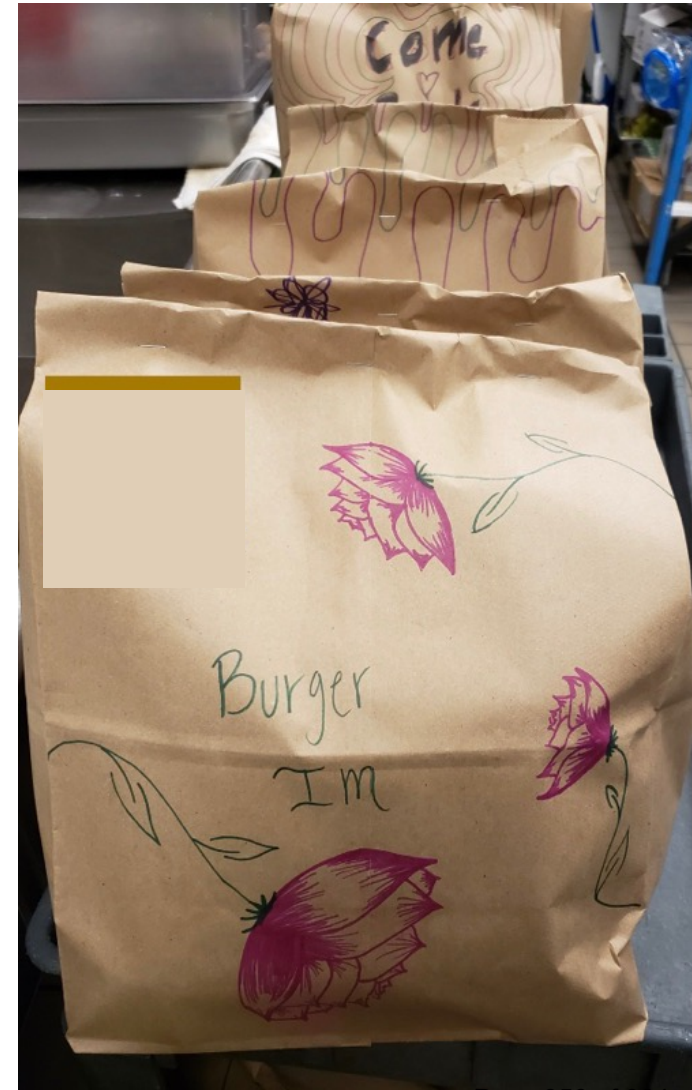


PROGRAM OVERVIEW

- California Office of Emergency Services (CalOES) launched in partnership with Federal Emergency Management Agency (FEMA) – Locally administered by City staff
- Economic stimulus to local food service providers during stay at home orders
- 3 Home delivered meals/day, 7 **5** days/week, to seniors age 65+ and adults age 60-65 at high risk from COVID-19

RANCHO CORDOVA PROGRAM STATISTICS

- May 5, 2020 first day of meal delivery in Rancho Cordova
- Current extension until February 6, 2021
(extensions granted in 30-day increments)
- Approximately 84,500 total meals served as of January 19
- 2,260 average meals served per week
- 183 unique residents served
- Currently serving between 140-160 participants per day
- 17 local food service providers benefited
- 10 currently active food service providers – providing all meal deliveries
- Approximately 55 local jobs supported since inception
- Approximately \$1,860,000 of economic stimulus to businesses
- Rate of about \$20,000 per business each month



2021 BUSINESS STRATEGY

2021 Strategy

- In September 2020, Council approved contract extensions up to \$200,000
- 3 Restaurants have reached that limit in January 2021
- In order to spread the program benefits across the business community staff are not requesting an additional contract extension for participating restaurants
- New restaurants will be brought into the program as existing restaurants term out

Other alternatives

- Keep all restaurants in the program and request an additional contract extension
- Limit the number of senior participants or expand with the additional number of restaurants



2021 FISCAL IMPACT

Fiscal Impact

- Total program costs through May 31, 2021 are expected to be \$2,900,000, 93.75% is reimbursable from FEMA and CalOES
- There is a 6.25% local cost share requirement, which can be met using funds received from the CARES Act, estimated at \$190,000 through May 31, 2021
- If it appears FEMA will extend the program beyond May 2021, staff will return to Council for further update and discussion at that time

Reimbursement Schedule

- Staff have filed the initial PA grant application and received the first expedited reimbursement of \$305,000
- Staff will continue to file PA project extensions and expedited reimbursement requests as approved by FEMA

End of Program Transition Plan

- Staff have begun conversations with Meals on Wheels for a transition program once the Great Plates program ends
- Meals on Wheels is preparing a CDBG-CV Round 3 grant application to the City for funding
- The transition program would:
 - Still use local restaurants
 - Include fewer meals per week
 - Have more narrow eligibility criteria for seniors (for CDBG eligibility)
 - Last for 2-5 months
- The end of the Great Plates program is difficult to project but staff will be watching indicators such as the State's colored tiers, infection rates and social distancing guidelines to get a sense of when the transition program should begin



MEMORANDUM



ITEM 12.4.

DATE: January 19, 2021
TO: Honorable Mayor and Council Members
FROM: Adam Lindgren, City Attorney
Trevor Taniguchi, Deputy City Attorney
**SUBJECT: MOBILEHOME DISCUSSION REGARDING SCOPE OF STATE AND
LOCAL AUTHORITY TO ENACT REGULATIONS**

RECOMMENDATION

Receive information and provide direction.

RESULT OF RECOMMENDED ACTION

Provide staff with direction.

BACKGROUND

Mobilehome Parks are regulated mainly by three state bodies of law: (i) the Mobilehome Residency Law (Civil Code §§ 798 *et seq.*); (ii) the Manufactured Housing Act of 1980 (Health and Safety Code §§ 18000 *et seq.*); and (iii) the Mobilehome Parks Act (Health and Safety Code §§ 18200 *et seq.*). Generally, as they pertain to mobilehomes, the Mobilehome Residency Law regulates mobilehome rental agreements, types of allowable charges, and evictions; the Manufactured Housing Act regulates the construction and alternation of mobilehomes; and Mobilehome Parks Act regulates the construction and operation of mobilehome parks. Additionally, mobilehomes and mobilehome parks are subject to regulations in California Code of Regulations Title 25, Division 1.

Regulation and Enforcement of Mobilehome Park Regulations

Pursuant to state law, mobilehomes and mobilehome parks (collectively “mobilehomes”) are regulated by the California Department of Housing and Community Development (“HCD”). HCD is also responsible for the enforcement of the Mobilehome Parks Act (“Act”). However, a city or county, or both a city and county, may petition HCD to assume the responsibility for the enforcement of the Act. (Health & Safety Code § 18300(b).) After approval and assumption of these responsibilities, the city or county would be responsible for all enforcement and oversight

of the Act.

In addition, in response to an emergency or natural disaster situation, HCD is permitted to delegate all or a portion of its mobilehome enforcement responsibilities to a “local building department or health department...where department is the enforcement agency” for a maximum 60 day period. (Health & Safety Code § 18307.)

Currently, the City does not possess the above-mentioned assignment of jurisdiction from HCD and HCD retains the authority to regulate mobilehomes in Rancho Cordova. The City’s Code Enforcement Officers only issue citations for Rancho Cordova Municipal Code violations against mobilehome park owners, not individual tenants or residents. Code Enforcement attempts, where possible, to assist in resolving mobilehome park tenant issues, but does not have the legal authority to issue citations to individual tenants or residents in mobilehome parks.

It would be a significant amount of new work for the City to assume the responsibility for enforcing state mobilehome and mobilehome park statutes and regulations. Based upon initial discussions with staff, Code Enforcement would require additional resources, including significant increases in staffing (1 or 2 new FTEs) as well as additional training to adequately address enforcement of mobilehome and mobilehome parks laws and regulations. Code enforcement would also require additional legal support.

Expanding Multifamily Residence Smoking Prohibition to Mobilehomes

In October 2020, Council adopted an Ordinance which prohibits smoking within multifamily residential properties. Mobilehomes are excluded from this prohibition. The City Attorney’s Office committed to returning to Council to provide further legal analysis regarding whether the City possessed the authority to prohibit smoking within mobilehomes and mobilehome parks.

Based upon the City Attorney’s research and analysis of state laws, regulations, and judicial decisions, it remains unclear whether the City possesses the legal right to prohibit smoking in mobilehomes within the City, without assuming the enforcement responsibilities from HCD. If the City were to assume the broad enforcement authority described above to enforce the Act within mobilehomes, the City could potentially enact its own smoking regulations pertaining to mobilehomes or mobilehome parks. However, it is unclear whether those regulations would withstand a legal challenge to their validity.

The overwhelming majority of cities in northern California that have enacted multifamily residence smoking prohibitions have specifically excluded mobilehomes from their prohibitions.

The City Attorney’s Office found only two cities that prohibit smoking within mobilehomes. Both have a limited regulation. San Jose restricts smoking only in specific mobilehome parks that are “open to the public.” Concord restricts city enforcement of the prohibition to only instances where smoking is directly witnessed by a city employee. The City of Concord does provide a private right of enforcement, which enables mobilehome residents the ability to enforce the

smoking prohibitions.

State law allows landlords the ability to restrict or prohibit smoking within their “dwelling units” (Civil Code § 1947.5), but to our knowledge, there is not clear statutory authority for the City to enact and enforce a City-wide smoking prohibition in mobilehomes.

Rent Control/Stabilization of Mobilehomes

City staff appreciates the resources and information shared by members of the community regarding the issue of rent increases in mobilehome parks within the City.

The Mobilehome Residency Law (Civil Code §§ 798 *et seq.*) (“MRL”) regulates the relationship between mobilehome park owners and tenants. The MRL provides procedures for providing notice of rent increases and regulates the contents of rental agreements, as well as the termination of tenancies. A park owner may only terminate a lease based on a reason specified in the MRL (Civil Code § 798.56(a)-(i)). These reasons include: a resident’s failure to comply with the law or a rule or regulation of the park that is a part of the rental agreement, including paying rent; or the park owner changes the use of the park after correctly following the specified procedure. These “just cause” eviction provisions do not apply to tenants who rent a mobilehome from a nonresidential owner.

The MRL does not specifically restrict the amount of rent that a mobilehome park owner can charge its residents. (See *Cacho v. Boudreau* (2007) 40 Cal.4th 341, 350.) The MRL provides that if a resident signed a long-term lease, as defined as longer than 12 months in duration before January 1, 2021, that lease is exempt from any local rent stabilization ordinance. (Civil Code §798.17.) However, long-term leases entered into after January 1, 2021, would be subject to a local mobilehome rent stabilization ordinance.

Further, courts have held that a city may use its police powers to adopt a rent stabilization ordinance for mobilehomes, so long as the ordinance is reasonably calculated to eliminate excessive rents and at the same time provide landlords with a just and reasonable return on their property. (See *Besaro Mobile Home Park, LLC v. City of Fremont* (2012) 204 CA4th 345 citing *Birkenfeld v. City of Berkeley* (1976) 17 Cal.3d 129, 165.)

A typical rent stabilization ordinance has two rent adjustment procedures: (i) a process whereby a landlord can implement a rent increase that is tied to the percentage increase of the consumer price index without any regulatory review (“Standard Adjustment”); and 2) a petition process that allows the landowner to increase rents above the Standard Adjustment (“Individualized Adjustment”). In this Individualized Adjustment process, ordinances typically include factors to take into consideration in setting a maximum allowable rent. A hearing officer or an arbitrator would then take these factors into account when considering the landlord’s petition. The development and implementation of a rent stabilization program is a complex and significant undertaking, requiring additional staffing and legal support.

Other Powers Granted to City Regarding Mobilehomes

Pursuant to the Act, the City is granted to use its police powers to do the following:

- Establish zone(s) for mobilehomes and mobilehome parks, as well as use types and locations (including adopting rules and regulations for park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks, setback, and separation requirements);
- Regulating construction, use of equipment and facilities outside of a mobilehome for public utilities and services (gas, water, electricity, sewage, etc.);
- Requiring a permit for mobilehome(s) located outside of a mobilehome park; and
- Requiring a local building permit for construction of an accessory unit to a mobilehome.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact with this discussion.

ATTACHMENT(S)

None