

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING Monday, December 18, 2023

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

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

Join the Meeting Via Zoom Link:

https://cityofranhocordova.zoom.us/j/89954491239?pwd=W_mBYzinQu4qXMU3YOhcwxbCAhSi0Q.3naCQF9WSlPFSlQ9

Join the Meeting via the Zoom Phone Number

Zoom Phone Number: +1 669 900 6833, +1 253 215 8782

Webinar ID: 899 5449 1239

Password: 578969

Instructions to Make Public Comment

Submitting Public Comment via Email

Members of the public who wish to provide public comment via email will need to submit written comments to CityClerk@cityofranhocordova.org no later than 2:00 p.m. on Monday, December 18, 2023. Written comments received no later than 2:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council.

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 before Monday, December 18, 2023, at 2:00 p.m.

AMENDED AGENDA

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

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

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

Deacon Walt Little from St. John Vianney Catholic Church will give the invocation.

5. PRESENTATIONS

5.1. Introduction of New Professional Services Company to the City of Rancho Cordova.

5.2. Presentation of Proclamation to Code Enforcement Officer Michael Rodriguez in Honor of his Retirement.

5.3. New Employee Introductions: Kathryn Spuur, Customer Service Representative by Russell Ducharme, Neighborhood Services Manager, Kevin Velazquez, Assistant Civil Engineer by Drew Hart, Senior Transportation Planner, and Veronica Seward-Aponte, Assistant Civil Engineer by Dalia Fadl, Principal Engineer.

6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter not on the agenda may do so at this time via teleconference or by completing and submitting a Speaker Card to the City Clerk.

If you want to make a public comment via teleconference, 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.

For items on the agenda, speakers will be called by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

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

7. COUNCIL REPORTS

8. CITY MANAGER'S REPORT

9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- Subject:** Meeting Minutes from the Regular City Council Meetings of November 6, 2023, and December 4, 2023, and the Special Meetings of November 13, 2023, November 28, 2023, December 6, 2023, and December 12, 2023.
Recommendation: Adopt the minutes.
- 9.1. **Subject:** Treasurer's Report - September 30, 2023
Recommendation: This report is informational only. It is recommended that the City Council receive and file the September 30, 2023, Treasurer's Report.
- 9.2. **Subject:** Second Reading of an Ordinance Amending Title 23, Chapter 23.325 Overlay Zoning Districts, Chapter 23.716 Landscaping, Chapter 23.719 Parking and Loading, Chapter 23.734 Accessory Structures, Chapter 23.743 Signs, and Chapter 23.1104 Definitions (CEQA Exemption Found in Guideline Section 15061(B)(3)).
Recommendation: Waive the second reading and adopt the Ordinance.
- 9.3. **Subject:** A Resolution Making Certain Findings and Determinations Related to, and Accepting, the Fiscal Year 2022-23 Development Impact Fee Report for Assembly Bill No. 1600 Development Fees.
Recommendation: Adopt the Resolution.
- 9.4. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2023-257 in an Amount not to Exceed \$750,000 with the Sacramento Society for the Prevention of Cruelty to Animals (SPCA) for Animal Shelter Services for a Term of January 1, 2024, to December 31, 2025.
Recommendation: Adopt the Resolution.
- 9.5. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2023-256 in an Amount not to Exceed \$150,000 with Sacramento Regional Transit District for Design Support for the U.S. 50/Rancho Cordova Parkway Interchange Project.
Recommendation: Adopt the Resolution.
- 9.6. **Subject:** A Resolution Authorizing the Continued Use of Military Equipment for Law Enforcement.
Recommendation: Adopt the Resolution.
- 9.7. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 153-2019-2 with R3 Consulting Group Inc. for On-Call Solid Waste Consulting Services to Extend the Term from June 30, 2024, to June 30, 2026, and Increase the Contract Budget from \$777,400 to an Amount not to Exceed \$1,277,650.
Recommendation: Adopt the Resolution.
- 9.8. **Subject:** A Resolution Authorizing the City Manager to Execute a Contract with the Sacramento County Sheriff's Office for a Term Starting December 1, 2023, and Ending June 30, 2026, for the Supervision of the Sheriff's Work Project Program, Inmate Crew, for Flood Control and Landscaping Maintenance in an Amount not to Exceed \$254,945.
Recommendation: Adopt the Resolution.
- 9.9.

- 9.10. **Subject:** A Resolution Declaring City-Owned Property at 2875 Kilgore Road, APN 072-0490-024, as Surplus Land and Authorizing the City Manager to Proceed with the Surplus Land Act Process for Site Disposition.
Recommendation: Adopt the Resolution.
- 9.11. **Subject:** A Resolution of the City Council of the City of Rancho Cordova Approving the Fifth Amendment to the First Restated Agreement for Legal Services between the City and Meyers Nave.
Recommendation: Adopt the Resolution.
10. **CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE**
None.
11. **PUBLIC HEARING ITEMS**
None.
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 220 Community Facilities District No. 2023-1, Improvement Area No. 1 Approving and Directing the Execution of a 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:** Chase Drive American River Parkway Connection Project Update.
Recommendation: Receive the presentation and provide feedback.
- 12.3. **Subject:** Discussion and Potential Direction of Planning Commissioner Appointments and Qualifications.
Recommendation: Receive a report on Planning Commission qualifications and two applications received to fill a vacant at-large member seat. Upon conclusion of the discussion and public comment, provide staff with any feedback or direction on the information presented and any future code amendments to Chapter 2.30 Planning Commission to address Council's direction and how to proceed with the two at-large applications received.
- 12.4. **Subject:** Approval of Council Member Appointments to Regional Boards, Commissions, and Committees.
Recommendation: Confirm commitments to serve on other agency boards, commissions, and committees.
- 12.5. **Subject:** A Resolution Adopting the 2024 City Council Meeting Schedule.
Recommendation: Adopt the Resolution.
- 12.6. **Subject:** Appointment of Labor Negotiators.
Recommendation: Appoint Mayor David Sander and City Attorney Adam U. Lindgren as Labor Negotiators for negotiations with the current City Manager.
13. **COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS**
14. **ADJOURN TO CLOSED SESSION**

Mayor Sander will adjourn the meeting to closed session.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

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

16. CLOSED SESSION

Council will meet in closed session to discuss the following items:

- 16.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) 350 Sacramento, a California non-profit benefit corporation; and Oscar Balaguer v. City of Rancho Cordova, a general law city; City Council for the City of Rancho Cordova, and DOES 1 to 10, inclusive. Sacramento Superior Court Case No. 23WM000101.
- 16.2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(One case, based on a letter dated October 24, 2023, to the Mayor and Council from Matthew Henderson of Miller Starr Regalia and testimony by Mr. Henderson at the October 24, 2023 City Council meeting opposing and threatening litigation on the proposed Ordinance amending sections of the Villages of Zinfandel Special Planning Area) (One case).
- 16.3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) DPML Bear Hollow, LLC, a Delaware limited liability company and DPML Stonecreek, LLC, a Delaware limited liability company v. City of Rancho Cordova, City Council of Rancho Cordova, and DOES 1 through 25, inclusive. Sacramento Superior Court Case No. 23WM000122.
- 16.4. CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6. Agency Designated Representatives: Mayor David Sander and City Attorney Adam U. Lindgren; Unrepresented Employee: City Manager.

17. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in closed session.

18. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Unless the Council adopts a motion to extend the meeting, any item that is not initiated before 11:00 p.m. will be continued to the next day at 5:30 p.m. or scheduled on the next regular meeting agenda of the Council.

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

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

TENTATIVE UPCOMING MEETINGS

January 2, 2024	4:00 PM Special Meeting/Regular Meeting
January 16, 2024	5:30 PM Regular Meeting

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 December 18, 2023, Regular Meeting of the Rancho Cordova City Council was posted and available for review on December 14, 2023, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed December 14, 2023, at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING
Monday, November 6, 2023

4:00 PM - Special Meeting/Closed Session
5:30 PM – Regular Meeting
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Special meeting to order in the David B. Roberts Council Chambers at 4:08 p.m.

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

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

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

1. James Garcia

Mayor Budge closed the public comment period.

3. ADJOURN TO CLOSED SESSION

Mayor Budge adjourned the meeting to closed session at 4:10 p.m.

4. CLOSED SESSION CALL TO ORDER ROLL/ROLL CALL

Mayor Budge called closed session to order at 4:11 p.m.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, November 6, 2023

ATTACHMENT 1

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

Council Members Absent: None

Staff Members Present: Adam Lindgren and Micah Runner

5. CLOSED SESSION

Council met in closed session to discuss the following items:

- 5.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) Stone Creek Residents for Smart Growth, an unincorporated association v. City of Rancho Cordova, Respondent; Dermody Properties, and DOES 1-10 Real Parties in Interest. Sacramento Superior Court Case No. 23WM000026.
- 5.2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(One case, based on a letter dated October 24, 2023 to the Mayor and Council from Matthew Henderson of Miller Starr Regalia and testimony by Mr. Henderson at the October 24, 2023 City Council meeting opposing and threatening litigation on the proposed Ordinance amending sections of the Villages of Zinfandel Special Planning Area).

6. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that staff was given direction and no reportable action was taken in closed session.

7. ADJOURN TO REGULAR MEETING

Mayor Budge adjourned closed session to the Regular meeting at 5:32 p.m.

8. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Regular meeting to order in the David B. Roberts Council Chambers at 5:32 p.m.

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

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

9. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

10. PLEDGE OF ALLEGIANCE

Sheryl Longsworth led the pledge.

11. INVOCATION

Dr. Dan DeShong with River City Christian Church gave the invocation.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
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ATTACHMENT 1

12. PRESENTATIONS

- 12.1. City of Rancho Cordova's Inaugural Youth Poet Laureate.
- 12.2. 2023 California Capital Airshow Report.
- 12.3. Rancho Cordova FiberCity Update provided by SiFi.
- 12.4. Vice Mayor Sander's Birthday on November 25, 2023.

13. PUBLIC COMMENT

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

- 1. Sheryl Longworth
- 2. Fayzah Mughal
- 3. Helen Whelan-Bashaw
- 4. Tera Kolvenbach
- 5. Bhaskar Vempati
- 6. Rosie Yacoub
- 7. Carl Salmonsens
- 8. Wayne Watts
- 9. Lisa Sanchez
- 10. Lilia Hogan
- 11. Katie McCammon
- 12. Camila Vogel
- 13. Roland H. Brady
- 14. Mary Tappel
- 15. Kathleen Ford
- 16. Teresa Spaulding
- 17. Greta Lacin
- 18. Mia Vandiver
- 19. Terry Joyce
- 20. Brynn Dickinson
- 21. Juleen Stenzel
- 22. Stephanie Mullen
- 23. Katy Justice and Todd Gledhill
- 24. Gwyn "Sage" Pasquale
- 25. Leslie Stradley and Craig Stradley
- 26. Catherine Vigran
- 27. Dmitriy Goloin
- 28. David Telander
- 29. Mark Heinrichs
- 30. David Ingram
- 31. Pam Kennedy
- 32. Gisla Dewey
- 33. Muriel Strand
- 34. Kay and Lee Yager
- 35. Lyndi Shaw
- 36. James Garcia
- 37. Ivory Rubin
- 38. Jennifer Garcia
- 39. Brenda Gustin

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ATTACHMENT 1

40. Marilyn Metzger

Mayor Budge closed the public comment period.

14. COUNCIL REPORTS

Council reported on events since the last meeting.

15. CITY MANAGER'S REPORT

City Manager Micah Runner gave his report.

16. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

Mayor Budge stated that item 16.2 would be pulled for separate discussion.

ACTION: Motion to approve item 16.1 and 16.3 through 16.7 by Terry second by Gatewood;
Motion passed with a 5:0 vote.

- 16.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of October 16, 2023, and the Special Meeting of October 24, 2023.

Recommendation: Adopt the minutes.

- 16.2. **Subject:** Second Reading of an Ordinance of the City Council of the City of Rancho Cordova Amending Certain Sections of the Villages of Zinfandel Special Planning Area to Revise Permitted Uses in the M-1 (Light Industrial) and MP (Office Industrial Park) Zones, Including Amending Certain Text and Tables in the Sacramento County Zoning Code that are Incorporated and Applied in the Villages of Zinfandel Special Planning Area (CEQA Exempt Pursuant to Guideline Section 15061(b)(3)).

Recommendation: Waive the second reading and adopt the Ordinance.

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

1. James Garcia
2. Greg Muilenburg
3. Jennifer Garcia
4. Helen Whelan-Bashaw
5. Chong Jen Chen
6. Tony Hamilton
7. Paul Carroll
8. Salina Wong
9. Mary Miller
10. Marilyn Metzger
11. Elisha Abbot
12. Sara Malone
13. Dilip Nayak
14. Brenda Gustin
15. Valerie Knippschild
16. Regina Jones
17. Marta Darby
18. Eric Winegar
19. Kate Carroll
20. Eileen Sedilko
21. B. Fuller
22. Lynn Keay

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23. Lisa Phenix
24. Lorie Hobart
25. David Higgins
26. Jonathan Lacoss
27. Valerie Knippschild
28. Lisa Burns
29. Elaine Khan
30. Ivory Rubin
31. Gerald Wilson
32. Katherine Whitcome
33. David Burns
34. Aman
35. Nani Berger
36. Kallie Pahwa
37. Dawn S. Davison
38. Pio Enriquez
39. Paul Carroll
40. Jordan Castelan
41. Skip Bradlee
42. Eileen Casuga
43. John Steelman
44. Jordan W.
45. Ernesto and Keiko Lopez
46. Sharon Muilenburg
47. Gregory (Greg) Muilenburg
48. Gerald Wilson
49. Alan and Melissa Vosper
50. Jess Cortez
51. Matt & Michelle Jost
52. David Ferguson
53. Daneece and Gene Adair
54. Mark Berry
55. Jacob Steelman
56. Timothy Johnson and Elaine Rice
57. James Adams
58. Janet Teghtmeyer
59. Nicole Mullnix
60. Vera Ferguson
61. James Garcia
62. Brenda Gustin
63. Marilyn Metzger
64. Yolanda Cu
65. Albert Cu
66. Matthew C. Henderson
67. Eric Winegar
68. Don Session

Mayor Budge closed the public comment period.

ACTION: Motion to approve item 16.2 by Terry second by Gatewood;
Motion passed with a 5:0 vote.

16.3. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment

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Rancho Cordova City Council - DRAFT MINUTES
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ATTACHMENT 1

No. 09-2019-1 with Ziebron Group to Increase the Contract Amount from \$100,000 to an Amount not to Exceed \$150,000, to Increase the Hourly Rate from \$275 Per Hour to \$310 Per Hour and Extend the Contract Term from December 31, 2023, to June 30, 2025, for the South Sacramento Habitat Conservation Plan Permitting.

Recommendation: Adopt the Resolution.

- 16.4. **Subject:** A Resolution Calling the Special Election in City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1.

Recommendation: Adopt the Resolution and rescind Resolution No. 121-2023.

- 16.5. **Subject:** A Resolution Authorizing the Public Works Director to Execute and Submit CalRecycle Grant Documents.

Recommendation: Adopt the Resolution.

- 16.6. **Subject:** A Resolution Authorizing the City Manager to Sign a Letter of Agency with Capitol Jackson Partners.

Recommendation: Adopt the Resolution.

- 16.7. **Subject:** Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board Appointments.

Recommendation: Appoint two (2), one-year term At-Large/Student appointees to fill the combined Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board.

17. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

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

ACTION: Motion to approve item 17.1 and 17.2 by Sander second by Terry;
Motion passed with a 5:0 vote.

- 17.1. **Subject:** A Resolution Approving the Community Development Block Grant 2024 Annual Action Plan.

Recommendation: Adopt the Resolution.

- 17.2. **Subject:** A Resolution Creating Special Tax Area Zone 8 and an Ordinance Establishing a Special Tax for Transit-Related Services for the Ranch Active Adult Project.

Recommendation: Adopt the Resolution creating special transit tax area Zone 8 and waive the first reading and introduce the Ordinance, establishing a special tax for transit-related services for the Ranch Active Adult project.

18. PUBLIC HEARING ITEMS

None.

RECESS 7:28 PM - 7:47 PM

19. REGULAR CALENDAR ITEMS

- 19.1. **Subject:** A Resolution Approving a Grant Agreement Between the City of Rancho Cordova and Cordova Community Council Foundation for the Mine Shaft Building Transfer of Ownership and Relocation and a Resolution Approving a Loan Agreement with the Cordova Community Council Foundation for the Mine Shaft Building Renovation and Expansion Project.

Recommendation: Adopt the Resolutions.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
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ATTACHMENT 1

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

ACTION: Motion to approve item 19.1. by Terry second by Gatewood;
Motion passed with a 5:0 vote.

- 19.2. **Subject:** A Resolution of the City Council of the City of Rancho Cordova Designating a Time and Place for Hearing Protests in Connection with a Proposed Stormwater Utility 1 Fee Increase, Approving Procedures in Connection Therewith and Taking Certain Other Actions.

Recommendation: Adopt the Resolution.

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

1. James Garcia

Mayor Budge closed the public comment period.

ACTION: Motion to move forward with a proposed annual rate of \$156.79/SFR with inflation to be implemented over the next five (5) years and for staff to return to Council with an updated Resolution by Pulipati second by Sander;
Motion passed with a 3:2 vote.

AYES: Pulipati, Sander, and Budge

NOES: Gatewood and Terry

ABSENT: None

ABSTAIN: None

- 19.3. **Subject:** Fiscal Year 2022-23 Preliminary Year-End Financial Report and Budget Amendment and a Resolution Authorizing the Budget Amendment.

Recommendation: Receive the Fiscal Year 2022-23 Preliminary Year-End Financial Report and adopt the proposed budget amendment Resolution.

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

ACTION: Motion to approve item 19.3. by Gatewood second by Terry;
Motion passed with a 5:0 vote.

- 19.4. **Subject:** Selection of the 2024 Mayor and Vice Mayor.

Recommendation: Council selection of the 2024 Mayor and Vice Mayor.

ACTION: Motion to appoint Siri Pulipati as Vice Mayor and David Sander as Mayor in 2024 by Budge second by Terry;
Motion passed with a 5:0 vote.

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

1. James Garcia
2. Helen Whelan-Bashaw
3. Brenda Gustin
4. Jennifer Garcia

Mayor Budge closed the public comment period.

ITEM 9.1.

ATTACHMENT 1

Rancho Cordova City Council - DRAFT MINUTES
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19.5. **Subject:** Cancellation of the November 20, 2023 City Council Meeting.

Recommendation: Staff recommends the City Council cancel the Monday, November 20, 2023 City Council meeting due to the lack of a quorum present in the Council Chambers.

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

ACTION: Motion to approve item 19.5. by Sander second by Terry;
Motion passed with a 5:0 vote.

20. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

1. Planning Commission Qualifications

21. ADJOURNMENT

Mayor Budge adjourned the meeting at 8:49 p.m.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING
Monday, December 4, 2023

4:00 PM – Special Meeting
5:30 PM – Regular Meeting
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Special meeting to order in the David B. Roberts Council Chambers at 4:09 p.m.

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

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

Mayor Budge stated that public comment would be taken at the time the item on the agenda was heard.

3. SPECIAL MEETING ITEMS

3.1. Subject: Community Engagement Division Update

Recommendation: Receive the presentation and provide feedback.

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

1. Giovanni Ottolini

Mayor Budge closed the public comment period.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

ACTION: Input was received regarding Community Engagement Division Update.

- 3.2. **Subject:** A Presentation on the Monier Circle Stormwater Detention Basin Project
Recommendation: Receive presentation on the progress of the Monier Circle Stormwater Detention Basin Project.

Mayor Budge opened the public comment period. Seeing no speakers. Mayor Budge closed the public comment period.

ACTION: Input was received regarding the presentation on the Monier Circle Stormwater Detention Basin Project.

4. **ADJOURN TO REGULAR MEETING**

Mayor Budge adjourned to the Regular meeting at 5:04 p.m.

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

Mayor Budge called the Regular meeting to order in the David B. Roberts Council Chambers at 5:33 p.m.

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

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

6. **METRO CABLE TV TELEVISION ANNOUNCEMENT**

The City Clerk read the meetings recordings and playback schedule.

7. **PLEDGE OF ALLEGIANCE**

Assistant City Manager David Kwong led the pledge.

8. **INVOCATION**

There was a moment of silence in lieu of the invocation.

9. **SPECIAL CEREMONIES - SWEAR IN MAYOR AND VICE MAYOR**

ACTION: Motion to continue items 9.1 through 9.3 by Gatewood second by Terry;
Motion passed with a 5:0 vote.

- 9.1. Swearing in of Vice Mayor.

- 9.2. Swearing in of Mayor.

- 9.3. Presentation to Outgoing Mayor Budge.

10. **CELEBRATORY BREAK**

There was no Celebratory Break.

11. **PRESENTATIONS**

- 11.1. Folsom Cordova Unified School District Presentation on Facilities and Funding

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

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

1. Madelaine Sanderson
2. James Garcia

Mayor Budge closed the public comment period.

12. PUBLIC COMMENT

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

1. Giovanni Ottolini
2. Julio Olague
3. James Garcia
4. Helen Whelan-Bashaw
5. Meada Cashatt
6. Sergio Diaz
7. Lyndi Shaw
8. Sergio Diaz

Mayor Budge closed the public comment period.

13. COUNCIL REPORTS

Council reported on events since the last meeting.

14. CITY MANAGER'S REPORT

City Manager Micah Runner gave his report.

15. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

Mayor Budge stated that item 15.1 would be pulled for separate discussion.

ACTION: Motion to approve item 15.2 through 15.5 by Terry second by Gatewood;
Motion passed with a 5:0 vote.

- 15.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of November 6, 2023, the Special City Council Meeting of November 13, 2023, and the Special City Council Meeting of November 28, 2023.

Recommendation: Adopt the minutes.

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

1. James Garcia

Mayor Budge closed the public comment period.

ACTION: Motion to continue item 15.1 to a date uncertain by Gatewood second by Pulipati;
Motion passed with a 5:0 vote.

- 15.2. **Subject:** Second Reading of an Ordinance Establishing a Special Tax Zone 8 for Transit-Related Services for The Ranch Active Adult Project.

Recommendation: Waive second reading and adopt the Ordinance.

- 15.3. **Subject:** A Resolution Declaring the Results of the Mail Ballot Election Relating to the Imposition of the Annual Stormwater Utility Fee on The Ranch Active Adult Project in the

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

City of Rancho Cordova.

Recommendation: Adopt the Resolution declaring the results of the mail ballot election relating to the imposition of the annual Stormwater Utility Fee on The Ranch Active Adult project.

- 15.4. **Subject:** A Resolution to Approve the Execution of a Memorandum of Understanding with the Sacramento Area Council of Governments to Receive Green Means Go Capital Project Grant Funds in the Amount of \$5,000,000 for the Mills Crossing Project.

Recommendation: Adopt the Resolution.

- 15.5. **Subject:** A Resolution Authorizing the City Manager to Execute an Agreement with the California Department of Housing and Community Development for the Prohousing Incentive Pilot Program.

Recommendation: Adopt the Resolution.

16. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

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

ACTION: Motion to approve item 16.1 by Gatewood second by Terry;
Motion passed with a 5:0 vote.

- 16.1. **Subject:** An Ordinance Amending Title 23, Chapter 23.325 Overlay Zoning Districts, Chapter 23.716 Landscaping, Chapter 23.719 Parking and Loading, Chapter 23.734 Accessory Structures, Chapter 23.743 Signs, and Chapter 23.1104 Definitions (CEQA Exemption Found in Guideline Section 15061(B)(3)).

Recommendation: Waive the first reading and introduce the Ordinance.

17. PUBLIC HEARING ITEMS

None.

18. REGULAR CALENDAR ITEMS

Mayor Budge stated that item 18.2 would be heard before item 18.1.

- 18.2. **Subject:** A Resolution Designating a Time and Place for Hearing Protests in Connection with a Proposed Stormwater Utility 1 Fee Increase, Approving Procedures in Connection Therewith and Taking Certain Other Actions.

Recommendation: Adopt the Resolution.

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

ACTION: Motion to approve item 18.2 by Sander second by Pulipati;
Motion passed with a 3:2 vote.

AYES: Pulipati, Sander, and Budge

NOES: Gatewood and Terry

ABSENT: None

ABSTAIN: None

- 18.1. **Subject:** Discussion Regarding Residential Solid Waste Collection and Street Sweeping Services Contract with Atlas Disposal Industries for the Contract Term Beginning January 1, 2025, through December 31, 2034.

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

Recommendation: Award the residential solid waste collection and street sweeping contract to Atlas Disposal Industries LLC (Atlas) for the contract term beginning January 1, 2025, through December 31, 2034, and direct staff to finalize a contract for City Council approval at a subsequent date.

Council Member Terry recused himself from item 18.1 due to a potential conflict of interest related to his wife's current employer and one of the applicants.

Council Member Terry left the meeting at 7:02 p.m.

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

1. Madelaine Sanderson
2. Andrea O'Gorma
3. Bonnie Patterson
4. Greg Kurtz
5. Joyce Rosenberg
6. Art Capps
7. Annah Rulon
8. Sergey Ivannikov
9. Dawn Carlson
10. Manual Gouveia
11. Joe Devlin
12. Nathan Shahbaz
13. Renee Flores-DeVan
14. Konat Vanterpool
15. George Holquin
16. Lisa Mccarrick
17. Tiffany Brown
18. Nick Sikich
19. Brian Waters
20. Dave Sikich
21. Carrie Johnson
22. Tera Kolvenbach
23. Helen Whelan-Bashaw
24. Colin Wallace
25. Michelle Smira
26. David Kuhnen
27. Gagan Bhullar
28. Gabriel De La Torre
29. Brandon Ramer
30. David Gieselman
31. Dave Sikich
32. Darryl Palmer
33. Debbie Cederdahl
34. Dennis Campbell
35. Jayna DeSoiza
36. Kimberly Harris
37. Rudy Oberhauser
38. Suzette Sneath
39. Adam and Maggy Krauth
40. Al Michaels

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

41. Katherine Ellis
42. Ian Campbell
43. Melissa Shorey
44. The Hardin Family
45. Owen Lefebvre
46. Alex Wormald
47. Baran Akpinar
48. Lisa Hayward
49. Kathleen Haupt
50. Adam Krautheim
51. Lina Mooney
52. Nikol Grubbs
53. Samuel Head, II
54. Carolyn Thomas

Mayor Budge closed the public comment period.

ACTION: Motion to give a specific date to invite Atlas Disposal Industries and Republic Services to resubmit their applications with updates to the Rate Sheet and improvements to their original proposals in which additions to the proposals would not be allowed thereafter, and to continue item 18.1 to a date uncertain by Gatewood second by Budge;
Motion passed with a 4:0 vote.

AYES: Gatewood Pulipati, Sander, and Budge

NOES: None

ABSENT: None

RECUSED: Terry

18.3. **Subject:** Appointment of Labor Negotiators.

Recommendation: Appoint Mayor David Sander and City Manager Micah Runner as Labor Negotiators for negotiations with the current City Attorney.

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

ACTION: Motion to approve item 18.3 by Gatewood second by Sander;
Motion passed with a 4:0 vote.

AYES: Gatewood, Pulipati, Sander, and Budge

NOES: None

ABSENT: Terry

ABSTAIN: None

19. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

1. To appoint Garrett Gatewood and Siri Pulipati to an Ad-hoc committee related to Information Technology

20. ADJOURN TO CLOSED SESSION

Mayor Budge adjourned the meeting to closed session at 9:19 p.m.

21. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor Budge called closed session to order at 9:19 p.m.

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, December 4, 2023

ATTACHMENT 2

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

Council Members Absent: Donald Terry

Staff Members Present: Adam Lindgren and Micah Runner

22. CLOSED SESSION

Council met in closed session to discuss the following items:

- 22.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) 350 Sacramento, a California non-profit benefit corporation; and Oscar Balaguer v. City of Rancho Cordova, a general law city; City Council for the City of Rancho Cordova, and DOES 1 to 10, inclusive. Sacramento Superior Court Case No. 23WM000101.
- 22.2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(One case, based on a letter dated October 24, 2023, to the Mayor and Council from Matthew Henderson of Miller Starr Regalia and testimony by Mr. Henderson at the October 24, 2023 City Council meeting opposing and threatening litigation on the proposed Ordinance amending sections of the Villages of Zinfandel Special Planning Area) (One case).
- 22.3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) DPML Bear Hollow, LLC, a Delaware limited liability company and DPML Stonecreek, LLC, a Delaware limited liability company v. City of Rancho Cordova, City Council of Rancho Cordova, and DOES 1 through 25, inclusive. Sacramento Superior Court Case No. 23WM000122.
- 22.4. CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6. Agency Designated Representatives: Mayor David Sander and City Manager Micah Runner; Unrepresented Employee: City Attorney.

23. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that Council took up items 22.2 and 22.3, staff was given direction and no reportable action was taken in closed session and that item 22.1 was continued to the next City Council meeting.

City Manager Micah Runner reported that an item would return to Council regarding the City Attorney Contract.

24. ADJOURNMENT

Mayor Budge adjourned the meeting at 10:15 p.m.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



**CITY COUNCIL MEETING
Monday, November 13, 2023**

**10:00 AM – Special Meeting/Closed Session
David B. Roberts Council Chambers**

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

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Vice Mayor Sander called the Special meeting to order in the David B. Roberts Council Chambers at 10:03 a.m.

Council Members Present: Siri Pulipati, Donald Terry, and Vice Mayor David Sander

Council Members Absent: Garrett Gatewood and Mayor Linda Budge

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

Vice Mayor Sander opened the public comment period. Seeing no speakers, Vice Mayor Sander closed the public comment period.

3. ADJOURN TO CLOSED SESSION

Vice Mayor Sander adjourned the meeting to closed session at 10:05 a.m.

4. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Vice Mayor Sander called closed session to order at 10:05 a.m.

Council Members Present: Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge (arrived at 10:10 a.m.)

Council Members Absent: Garrett Gatewood

Staff Members Present: Adam Lindgren and Micah Runner

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, November 13, 2023

ATTACHMENT 3

5. CLOSED SESSION

Council met in closed session to discuss the following item:

- 5.1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: City Manager: Pursuant to Government Code Section 54957.

6. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lidgren reported that the City Council conducted the City Manager's performance evaluation. The Council reports that the City Manager's performance has been impressive.

7. ADJOURNMENT

Mayor Budge adjourned the meeting at 11:32 a.m.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING
Tuesday, November 28, 2023

6:30 PM – Special Meeting/Work Session
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Special meeting to order in the David B. Roberts Council Chambers at 6:38 p.m.

Council Members Present: Garrett Gatewood (arrived at 6:55 p.m.), Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

Mayor Budge stated that public comment would be taken at the time each item on the Agenda was heard.

3. SPECIAL MEETING ITEMS

- 3.1. **Subject:** Neighborhood Traffic Management Project Phase VI Design Update.
Recommendation: Receive presentation.

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

ACTION: Input was received regarding the Neighborhood Traffic Management Project Phase VI Design Update.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, November 28, 2023

ATTACHMENT 4

3.2. **Subject:** Baroque Drive Traffic Calming Project Update.

Recommendation: Receive the presentation and provide feedback.

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

1. James Garcia
2. Jennifer Garcia
3. Salina Wong

Mayor Budge closed the public comment period.

ACTION: Input was received regarding the Baroque Drive Traffic Calming Project Update.

4. **ADJOURN TO CLOSED SESSION**

Mayor Budge adjourned the meeting to closed session at 7:30 p.m.

5. **CLOSED SESSION - CALL TO ORDER/ROLL CALL**

Mayor Budge called closed session to order at 7:30 p.m.

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

Council Members Absent: None

Staff Members Present: Adam Lindgren and Micah Runner

6. **CLOSED SESSION**

Council met in closed session to discuss the following items:

- 6.1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(One case, based on a letter dated October 24, 2023 to the Mayor and Council from Matthew Henderson of Miller Starr Regalia and testimony by Mr. Henderson at the October 24, 2023 City Council meeting opposing and threatening litigation on the proposed Ordinance amending sections of the Villages of Zinfandel Special Planning Area) (One case).
- 6.2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** (pursuant to California Government Code Section 54956.9(d)(1)) 350 Sacramento, a California non-profit benefit corporation; and Oscar Balaguer v. City of Rancho Cordova, a general law city; City Council for the City of Rancho Cordova, and DOES 1 to 10, inclusive. Sacramento Superior Court Case No. 23WM000101.
- 6.3. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** (pursuant to California Government Code Section 54956.9(d)(1)) Stone Creek Residents for Smart Growth, an unincorporated association v. City of Rancho Cordova, Respondent; Dermody Properties, and DOES 1-10 Real Parties in Interest. Sacramento Superior Court Case No. 23WM000026.
- 6.4. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** (pursuant to California Government Code Section 54956.9(d)(1)) Stone Creek Residents for Smart Growth, an unincorporated association v. City of Rancho Cordova, and DOES 1-10

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, November 28, 2023

ATTACHMENT 4

Respondent; Dermody Properties, and DOES 11-20 Real Parties in Interest.
Sacramento Superior Court Case No. 23WM000052.

7. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that Council took up items 6.1, 6.3, and 6.4, received updates from staff, provided direction and took no reportable action. Item 6.2 was continued to the December 4, 2023, City Council meeting.

8. ADJOURNMENT

Mayor Budge adjourned the meeting in memory and honor of Rosalynn Carter at 8:26 p.m.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING
Wednesday, December 6, 2023

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

City Hall
2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Special meeting to order in the David B. Roberts Council Chambers at 5:34 p.m.

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

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

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

1. James Garcia

Mayor Budge closed the public comment period.

3. SPECIAL MEETING ITEM

- 3.1. **Subject:** Cure and Correction of Alleged Brown Act Violation Relating to Council Selection of the 2024 Mayor and Vice Mayor.

Recommendation: Staff recommends that the City Council takes the following actions at the December 6, 2023 meeting:

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Wednesday, December 6, 2023

ATTACHMENT 5

(1) Receive Staff Report.

(2) Receive public comment.

(3) Motion declaring the City Council's intention to cure the alleged Brown Act violation on item 19.4 of the November 6, 2023 City Council meeting, and committing that the City Council will cease and desist from and not repeat the challenged past actions.

(4) Motion to rescind all actions taken on item 19.4 of the November 6, 2023 City Council meeting.

(5) Motion directing staff to respond to the December 4, 2023 demand in writing that the alleged violation has been cured and corrected.

(6) Motion to select the 2024 Mayor and Vice Mayor.

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

1. Tera Kolvenbach
2. Helen Whelan-Bashaw
3. James Garcia
4. Jennifer Garcia

Mayor Budge closed the public comment period.

ACTION: Motion to declare the City Council's intention to cure the alleged Brown Act violation on item 19.4 of the November 6, 2023 City Council meeting, and committing that the City Council will cease and desist from and not repeat the challenged past actions and to rescind all actions taken on item 19.4 of the November 6, 2023 City Council meeting by Terry second by Pulipati;
Motion passed with a 5:0 vote.

ACTION: Motion to direct staff to respond to the December 4, 2023 demand in writing that the alleged violation has been cured and corrected by Sander second by Terry;
Motion passed with a 5:0 vote.

ACTION: Motion to appoint Siri Pulipati as Vice Mayor and David Sander as Mayor in 2024 by Budge second by Terry;
Motion passed with a 5:0 vote.

4. SPECIAL CEREMONIES - SWEAR IN MAYOR AND VICE MAYOR

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

1. Anil Reddy

Mayor Budge closed the public comment period.

- 4.1. Swearing in of Vice Mayor.
- 4.2. Swearing in of Mayor.

ITEM 9.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Wednesday, December 6, 2023

ATTACHMENT 5

4.3. Presentation to Outgoing Mayor Budge.

5. ADJOURNMENT

Mayor Sander adjourned the meeting at 6:14 p.m.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Tuesday, December 12, 2023

**5:30 PM – Special Meeting/Work Session
David B. Roberts Council Chambers**

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

**DoubleTree by Hilton Hotel - Lobby
101 South Adams Street
Tallahassee, FL 32301
No attendance from this location**

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Vice Mayor Pulipati called the Special meeting to order in the David B. Roberts Council Chambers at 5:40 p.m.

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

Council Members Absent: Mayor David Sander

Staff Members Present: Haley Arata, Stacy Leitner, Adam Lindgren, and Micah Runner

2. PUBLIC COMMENT

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

3. SPECIAL MEETING

3.1. Subject: Economic Development Strategic Plan Proposals.

ITEM 9.1.

ATTACHMENT 6

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, December 12, 2023

Recommendation: Receive recommendations from the City Council regarding the selection of the top consulting firms to move forward with the development of the Economic Development Strategic Plan (EDSP).

Council Member Gatewood left the meeting at 6:35 p.m.

Vice Mayor Pulipati opened the public comment period. Seeing no speakers, Vice Mayor Pulipati closed the public comment period.

ACTION: Input was received regarding the Economic Development Strategic Plan proposals.

4. ADJOURNMENT

Vice Mayor Pulipati adjourned the meeting at 7:36 p.m.

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 9.2.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Kim Juran-Karageorgiou, Administrative Services Director
SUBJECT: TREASURER'S REPORT – SEPTEMBER 30, 2023

RECOMMENDATION

This report is informational only. It is recommended that the City Council receive and file the September 30, 2023, Treasurer's Report.

RESULT OF RECOMMENDED ACTION

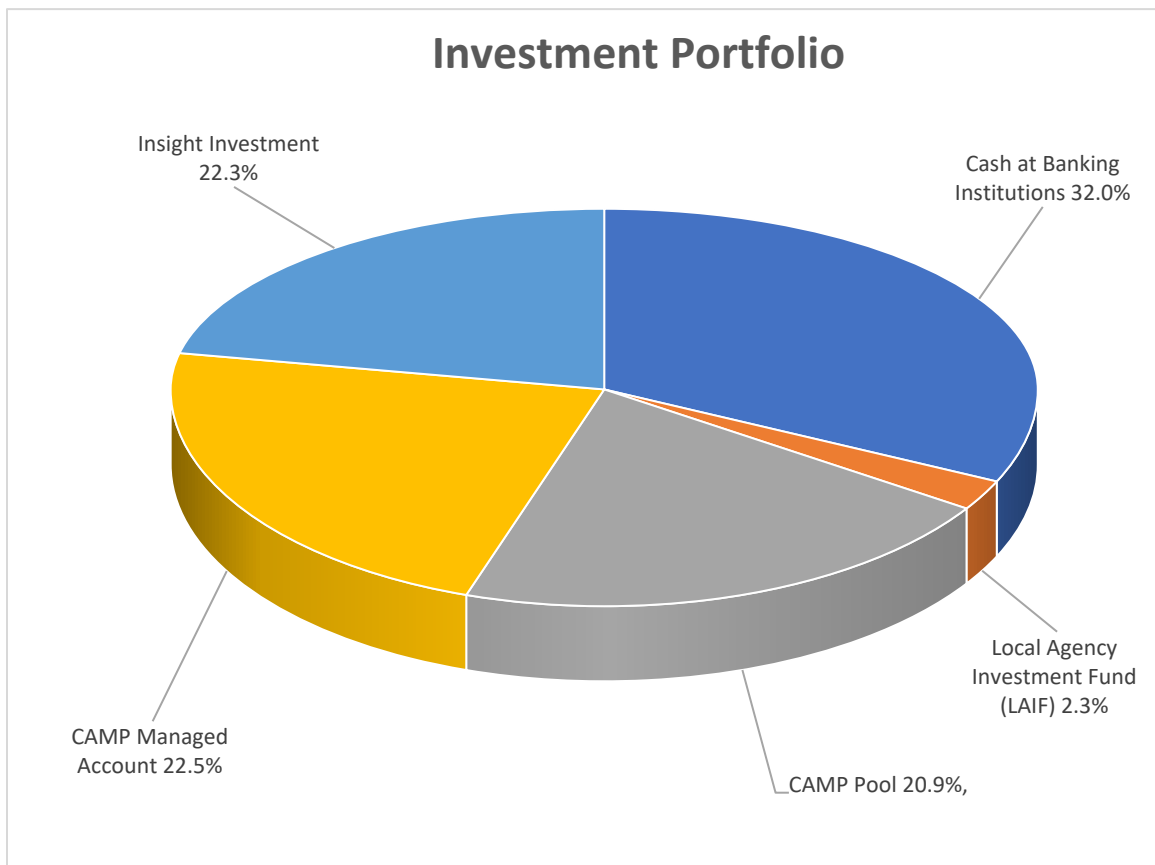
The Treasurer's Report is required to be submitted to the City Council at least quarterly in accordance with California Government Code Section 53600 et. seq. The purpose of the Treasurer's Report is to update the City Council and the public on the status of the City's cash balances and investments and highlight material changes from one period to another. The scope of this report covers the third quarter of the 2023 calendar year ending September 30, 2023, and is in compliance with the State's reporting requirements.

BACKGROUND

Attached is the quarterly Treasurer's Report for the period ending September 30, 2023. Treasurer's Reports are provided to the City Council on a quarterly basis.

At June 30, 2023, the value of the City's total portfolio was \$286.5 million. Since that time, the City's cash balances decreased by \$7.1 million with an ending balance of \$279.4 million as of September 30, 2023. The funds are held as follows:

Investment Distribution	Book Value	Market Value
Cash at Banking Institutions	89,349,079	89,349,079
Local Agency Investment Fund (LAIF)	6,361,676	6,361,676
CAMP Pool	58,402,296	58,402,296
CAMP Managed Account	65,492,667	62,991,666
Insight Investment	63,679,167	62,314,203
Total	283,284,886	279,418,921



The Federal Reserve followed up on the three rate increases it had implemented during the first two quarters of 2023 with a fourth, .25% rate increase in July, bringing the new target interest rate range to 5.25%-5.5%. U.S. Treasury yields increased across the entire yield curve during the third quarter, with most tenors closing the quarter at multi-decade highs. While these rising interest rates bring the market value of the City's portfolio down, the City is seeing higher interest earnings on its investments and reinvesting securities that have reached maturity at higher rates, when feasible. Consumer spending was down from previous estimates, bringing

into question the consumer's ability to continue to carry the economy as economic headwinds such as high gas prices, slowing wage growth, and the depletion of savings accumulated during the pandemic mount.

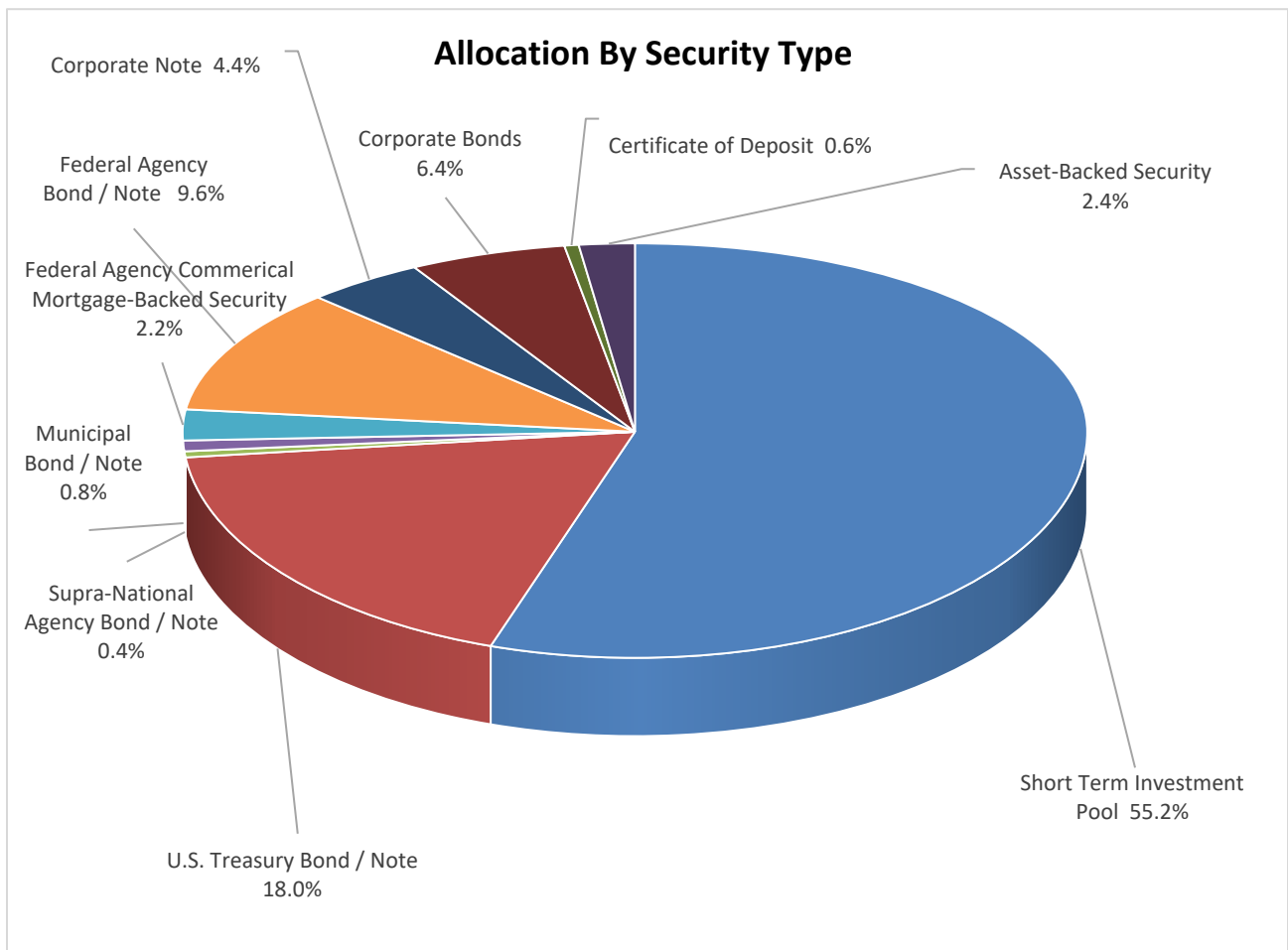
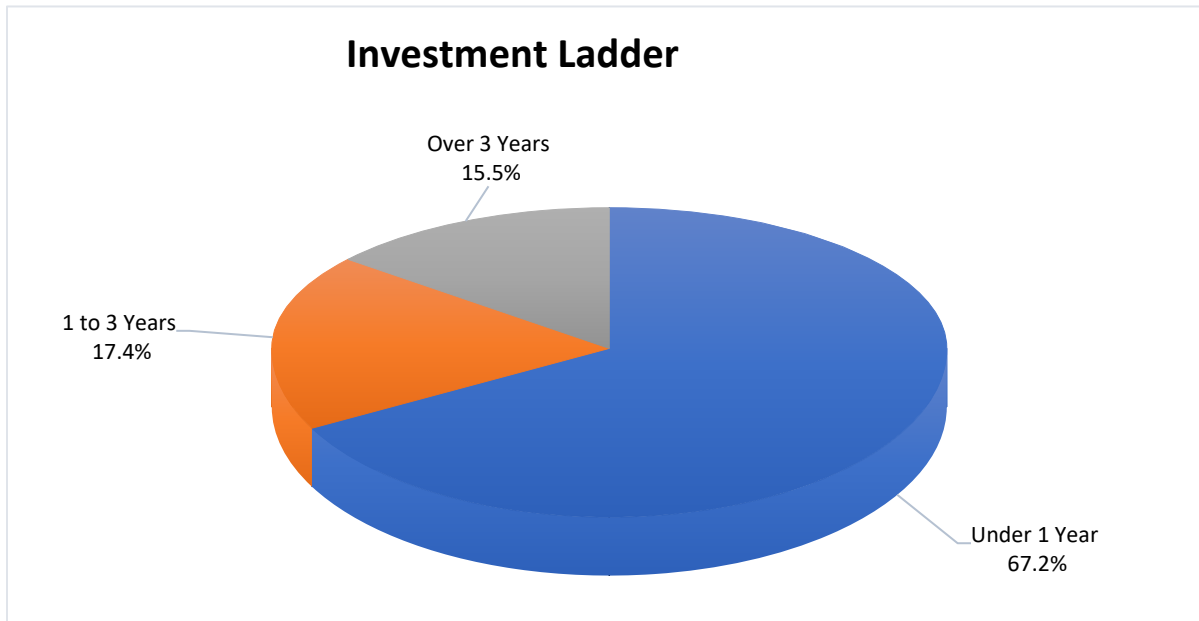
The City's cash balance as of September 30, 2023, was allocated by fund type/purpose as follows:

- General Fund: \$18 million
- Community Enhancement & Investment Fund (Measure H & R): \$14.4 million
- Sunrise Development Impact Fees (restricted for specific improvements needed as a result of development in the area): \$40.2 million
- Transportation Funds: \$82 million
- Storm Drain Fund: \$19.3 million
- Capital Projects/Grant/Special Revenue Funds: \$81 million
- Agency Funds (funds held for other entities): \$28.4 million

The overall portfolio is well-diversified with \$129.2 million invested in marketable securities, \$64.8 million is invested in short-term investments that are considered liquid (LAIF, CAMP, and money markets), and another \$89.3 million is on deposit with our banks, which includes \$5.4 million on deposit with one local bank as part of the City's participation in a local banking initiative. Staff, in conjunction with our financial advisors, periodically review the mix of liquid and long-term investments and adjust the portfolio according to the market conditions and our short-term cash needs.

Staff thoroughly review investment statements and make appropriate inquiries of its investment advisors to confirm the existence and viability of the City's assets. The City invests conservatively in investment policy options in accordance with California State Government Code. The long-term assets are in securities that can be held to maturity, thus are less vulnerable to the fluctuations of the market. All securities are in compliance with the City's investment policy. There are sufficient funds to meet the City's expenditure requirements for the next six months.

The distribution of investments is displayed in the following charts:



ATTACHMENT(S)

1. City of Rancho Cordova Treasurer's Report for the quarter ended September 30, 2023

**CITY OF RANCHO CORDOVA
TREASURER'S REPORT
FOR THE QUARTER ENDED September 30, 2023**

Security Held	Book Value	Market Value
Wells Fargo Bank	83,906,772	83,906,772
5 Star Bank	5,442,307	5,442,307
Local Agency Investment Fund (LAIF)	6,361,676	6,361,676
CAMP Pool	58,402,296	58,402,296
CAMP Managed Account	65,492,667	62,991,666
Insight Investment	63,679,167	62,314,203
Total	283,284,886	279,418,921



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	100,000.00	AA+	Aaa	10/02/19	10/04/19	100,574.22	1.48	680.03	100,011.58	99,718.75
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	4,175,000.00	AA+	Aaa	06/25/21	06/28/21	4,151,841.80	0.35	1,539.96	4,173,070.15	4,130,640.63
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,950,000.00	AA+	Aaa	06/07/21	06/08/21	2,049,175.79	0.33	9,855.98	1,974,217.34	1,900,335.84
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	4,000,000.00	AA+	Aaa	06/18/21	06/21/21	4,184,375.00	0.46	20,217.39	4,045,551.47	3,898,124.80
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	475,000.00	AA+	Aaa	08/05/20	08/07/20	507,693.36	0.18	2,100.71	484,297.36	454,367.19
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	800,000.00	AA+	Aaa	07/01/20	07/06/20	852,250.00	0.28	3,538.05	814,568.79	765,250.00
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	100,000.00	AA+	Aaa	03/01/21	03/04/21	98,589.84	0.58	63.18	99,430.22	91,890.62
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	425,000.00	AA+	Aaa	04/01/21	04/05/21	416,765.63	0.72	268.51	421,604.05	390,535.14
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	525,000.00	AA+	Aaa	05/04/21	05/06/21	516,120.12	0.75	497.54	520,706.32	474,468.75
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	100,000.00	AA+	Aaa	02/10/22	02/14/22	95,277.34	1.92	313.86	97,103.68	90,078.12
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	325,000.00	AA+	Aaa	05/03/22	05/05/22	294,125.00	3.03	342.22	304,376.78	289,250.00
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	825,000.00	AA+	Aaa	07/05/22	07/08/22	755,229.49	2.84	868.72	776,386.32	734,250.00
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	825,000.00	AA+	Aaa	08/01/22	08/04/22	759,515.63	2.74	868.72	778,527.22	734,250.00
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	950,000.00	AA+	Aaa	06/02/22	06/06/22	864,537.11	2.94	1,000.34	891,709.35	845,500.00



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	1,300,000.00	AA+	Aaa	08/08/22	08/15/22	1,183,812.50	3.04	1,368.89	1,216,917.10	1,157,000.00
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	1,150,000.00	AA+	Aaa	10/05/22	10/11/22	1,059,886.72	4.10	8,687.50	1,081,270.55	1,057,640.63
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	1,800,000.00	AA+	Aaa	01/04/23	01/06/23	1,674,632.81	3.96	13,597.83	1,698,478.38	1,655,437.50
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	3,200,000.00	AA+	Aaa	12/05/22	12/07/22	2,977,625.00	3.92	24,173.91	3,023,676.25	2,943,000.00
US TREASURY N/B NOTES DTD 04/30/2022 2.750% 04/30/2027	91282CEN7	1,300,000.00	AA+	Aaa	01/31/23	02/03/23	1,251,707.03	3.70	14,960.60	1,259,199.15	1,215,703.06
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	350,000.00	AA+	Aaa	07/03/23	07/07/23	329,957.03	4.30	1,621.60	331,117.77	326,046.88
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	1,000,000.00	AA+	Aaa	06/02/23	06/06/23	953,671.88	3.97	4,633.15	957,247.34	931,562.50
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,100,000.00	AA+	Aaa	03/02/23	03/06/23	1,959,644.53	4.44	9,729.62	1,977,887.25	1,956,281.25
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,400,000.00	AA+	Aaa	05/01/23	05/05/23	2,318,906.25	3.62	11,119.57	2,326,711.79	2,235,750.00
Security Type Sub-Total		30,175,000.00					29,355,914.08	2.29	132,047.88	29,354,066.21	28,377,081.66
Supra-National Agency Bond / Note											
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	650,000.00	AAA	Aaa	11/17/20	11/24/20	648,602.50	0.32	573.26	649,931.08	645,125.00
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	585,000.00	AAA	Aaa	09/15/21	09/23/21	584,567.10	0.52	65.00	584,858.60	556,778.43
Security Type Sub-Total		1,235,000.00					1,233,169.60	0.42	638.26	1,234,789.68	1,201,903.43
Municipal Bond / Note											



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Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	75,000.00	AA-	Aa3	05/29/20	06/11/20	75,000.00	2.00	374.63	75,000.00	73,116.75
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	100,000.00	AA-	Aa1	11/06/19	12/05/19	100,000.00	2.10	350.17	100,000.00	97,269.00
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.702% 08/01/2024	798306WN2	200,000.00	NR	Aa2	10/16/20	10/29/20	200,000.00	0.70	234.00	200,000.00	191,560.00
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	425,000.00	NR	NR	12/16/20	12/23/20	425,000.00	0.87	164.33	425,000.00	395,560.25
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	100,000.00	AA	Aa2	07/10/20	07/16/20	100,000.00	0.88	333.58	100,000.00	93,286.00
CT ST TXBL GO BONDS DTD 06/04/2021 0.923% 06/01/2025	20772KNW5	275,000.00	AA-	Aa3	05/20/21	06/04/21	275,000.00	0.92	846.08	275,000.00	255,662.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	75,000.00	AA	Aa3	09/03/20	09/16/20	75,530.25	1.11	235.88	75,193.73	69,704.25
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	100,000.00	AA	Aa3	09/03/20	09/16/20	100,663.00	1.12	314.50	100,242.23	92,939.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	200,000.00	AA	Aa3	09/03/20	09/16/20	200,000.00	1.26	629.00	200,000.00	185,878.00
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	130,000.00	AAA	Aaa	08/11/20	08/25/20	130,000.00	0.63	136.50	130,000.00	119,658.50
LOS ANGELES CCD, CA TXBL GO BONDS DTD 11/10/2020 0.773% 08/01/2025	54438CYK2	175,000.00	AA+	Aaa	10/30/20	11/10/20	175,000.00	0.77	225.46	175,000.00	161,726.25
CA ST UNIV TXBL REV BONDS DTD 07/29/2021 0.862% 11/01/2025	13077DQD7	175,000.00	AA-	Aa2	07/09/21	07/29/21	175,000.00	0.86	628.54	175,000.00	159,582.50
CA ST MUNICIPAL BONDS DTD 03/15/2023 4.846% 03/01/2027	13063D3N6	240,000.00	AA-	Aa2	03/09/23	03/15/23	240,000.00	4.85	969.20	240,000.00	239,052.00
Security Type Sub-Total		2,270,000.00					2,271,193.25	1.43	5,441.87	2,270,435.96	2,134,994.50



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Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Commercial Mortgage-Backed Security											
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	AA+	Aaa	03/19/20	03/25/20	288,621.09	1.95	701.71	278,397.32	266,569.83
FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	325,000.00	AA+	Aaa	04/11/23	04/14/23	311,542.97	4.37	743.44	313,846.79	307,135.88
FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	650,000.00	AA+	Aaa	04/06/23	04/12/23	622,628.91	4.02	1,437.04	626,529.35	605,054.89
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	450,000.00	AA+	Aaa	05/19/23	05/24/23	436,148.44	4.31	1,255.13	437,580.98	426,200.68
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXOY1	650,000.00	AA+	Aaa	08/16/23	08/18/23	613,132.81	4.98	1,746.33	614,389.32	609,925.23
FHLMC MULTIFAMILY STRUCTURED P DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	650,000.00	AA+	Aaa	06/08/23	06/13/23	622,857.42	4.44	1,756.63	625,008.49	608,701.89
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	524,492.41	AA+	Aaa	07/19/23	07/27/23	524,479.31	4.78	2,087.92	524,479.80	514,707.46
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	650,000.00	AA+	Aaa	07/13/23	07/20/23	656,492.20	4.59	2,610.29	656,225.65	638,042.91
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	650,000.00	AA+	Aaa	07/18/23	07/31/23	638,980.47	4.58	2,269.58	639,360.67	621,054.34
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	950,000.00	AA+	Aaa	09/07/23	09/14/23	935,946.65	4.99	3,681.25	936,068.76	922,991.89
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	650,000.00	AA+	Aaa	09/20/23	09/28/23	642,230.55	5.07	2,600.00	642,242.62	638,226.44
Security Type Sub-Total		6,424,492.41					6,293,060.82	4.54	20,889.32	6,294,129.75	6,158,611.44
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	415,000.00	AA+	Aaa	10/14/20	10/16/20	413,452.05	0.25	237.76	414,978.80	414,130.99
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	450,000.00	AA+	Aaa	11/03/20	11/05/20	449,595.00	0.28	453.13	449,986.70	447,791.85



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Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	400,000.00	AA+	Aaa	11/23/20	11/25/20	399,544.00	0.29	344.44	399,976.31	396,817.20
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	400,000.00	AA+	Aaa	12/02/20	12/04/20	399,604.00	0.28	325.00	399,976.85	396,417.20
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	500,000.00	AA+	Aaa	04/15/20	04/16/20	497,520.00	0.60	1,159.72	499,237.24	465,236.50
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	500,000.00	AA+	Aaa	04/22/20	04/24/20	498,970.00	0.67	1,380.21	499,678.69	465,603.00
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	500,000.00	AA+	Aaa	07/21/20	07/23/20	497,510.00	0.48	364.58	499,100.38	458,909.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	450,000.00	AA+	Aaa	08/25/20	08/27/20	447,894.00	0.47	168.75	449,198.70	411,401.70
FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	AA+	Aaa	09/10/20	09/11/20	199,400.00	0.44	56.25	199,767.78	182,835.20
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	AA+	Aaa	09/23/20	09/25/20	448,645.50	0.44	37.50	449,463.10	410,371.65
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	450,000.00	AA+	Aaa	11/09/20	11/12/20	448,389.00	0.57	900.00	449,320.57	409,334.40
Security Type Sub-Total		4,715,000.00					4,700,523.55	0.44	5,427.34	4,710,685.12	4,458,848.69
Corporate Note											
PNC BANK NA CORP NOTES (CALLABLE) DTD 01/23/2019 3.500% 01/23/2024	693475AV7	375,000.00	A-	A3	02/12/19	02/15/19	377,670.00	3.34	2,479.17	375,125.06	371,845.50
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	135,000.00	A-	A2	03/16/21	03/18/21	134,932.50	0.77	36.56	134,989.59	131,810.76
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	375,000.00	A-	A1	07/19/19	07/23/19	396,483.75	2.59	6,135.42	377,602.22	370,335.00



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For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	355,000.00	AA	A1	05/10/21	05/12/21	354,481.70	0.50	616.81	354,894.07	343,965.89
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	375,000.00	A-	A3	07/11/19	07/15/19	373,140.00	2.51	2,350.00	374,722.39	365,583.38
GOLDMAN SACHS GROUP INC (CALLABLE) BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	BBB+	A2	07/08/19	07/11/19	392,467.50	2.84	3,328.65	376,915.08	368,935.88
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	375,000.00	A-	A3	08/01/19	08/05/19	375,622.50	2.46	1,562.50	375,095.18	363,531.00
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	235,000.00	A+	A1	08/03/21	08/09/21	234,873.10	0.52	169.72	234,963.76	224,770.45
UNILEVER CAPITAL CORP (CALLABLE) CORPORA DTD 08/12/2021 0.626% 08/12/2024	904764BN6	100,000.00	A+	A1	08/09/21	08/12/21	100,000.00	0.63	85.21	100,000.00	95,726.40
WALT DISNEY COMPANY/THE (CALLABLE) DTD 09/06/2019 1.750% 08/30/2024	254687FK7	375,000.00	A-	A2	09/03/19	09/06/19	373,470.00	1.84	565.10	374,719.22	362,087.63
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 09/14/2021 0.600% 09/13/2024	14913R2P1	150,000.00	A	A2	09/07/21	09/14/21	149,796.00	0.65	45.00	149,935.17	143,101.20
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	130,000.00	A-	A2	01/31/22	02/07/22	129,996.10	1.88	365.63	129,998.24	123,428.50
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	05/20/20	05/26/20	50,488.50	1.58	120.00	50,141.96	47,492.95
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	05/21/20	05/26/20	50,696.00	1.49	120.00	50,202.26	47,492.95



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Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	200,000.00	A+	A1	05/20/20	05/26/20	201,954.00	1.58	480.00	200,567.84	189,971.80
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	290,000.00	AA	A1	04/11/22	04/13/22	289,538.90	3.06	4,060.00	289,764.40	280,036.47
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	45,000.00	A	A2	03/24/22	03/28/22	44,921.25	2.76	560.25	44,960.27	43,233.89
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 04/22/2021 0.976% 04/22/2025	06051GJR1	325,000.00	A-	A1	04/16/21	04/22/21	325,000.00	0.98	1,400.97	325,000.00	314,935.40
CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	300,000.00	BBB+	A3	08/28/20	09/01/20	332,985.00	0.88	4,235.00	311,143.84	288,301.80
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	130,000.00	A-	A3	04/26/22	05/03/22	129,971.40	3.46	1,868.75	129,984.89	125,711.04
APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	400,000.00	AA+	Aaa	05/11/20	05/13/20	400,804.00	1.08	1,750.00	400,250.07	373,594.00
APPLE INC CORPORATE NOTES DTD 05/13/2015 3.200% 05/13/2025	037833BG4	500,000.00	AA+	Aaa	11/24/21	11/29/21	530,775.00	1.37	6,133.33	514,399.09	483,297.50
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	580,000.00	A-	A1	05/24/21	06/01/21	580,000.00	0.82	1,593.07	580,000.00	560,675.56
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	470,000.00	AA-	Aa3	05/31/22	06/09/22	470,000.00	3.50	5,117.78	470,000.00	454,312.81
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	70,000.00	A-	A2	04/27/22	05/04/22	69,981.10	3.46	711.08	69,989.65	67,425.40



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Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	450,000.00	A-	A3	07/20/22	07/27/22	450,000.00	4.00	3,200.00	450,000.00	437,708.70
CITIGROUP INC CORP NOTE (CALLABLE) DTD 11/03/2021 1.281% 11/03/2025	172967ND9	90,000.00	BBB+	A3	10/27/21	11/03/21	90,000.00	1.28	473.97	90,000.00	85,025.79
UNITEDHEALTH GROUP INC (CALLABLE) CORPOR DTD 05/19/2021 1.150% 05/15/2026	91324PEC2	475,000.00	A+	A2	05/17/21	05/19/21	474,173.50	1.19	2,063.61	474,565.88	427,340.88
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	450,000.00	A	A2	07/16/21	07/20/21	450,540.00	1.17	1,845.00	450,291.22	404,329.50
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	85,000.00	A+	A1	09/08/21	09/13/21	84,811.30	1.17	273.59	84,892.47	75,897.18
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 06/16/2020 1.319% 06/19/2026	06051GJD2	600,000.00	A-	A1	07/23/21	07/27/21	602,754.00	1.22	2,242.30	601,213.46	548,966.40
AMERICAN EXPRESS CO (CALLABLE) CORPORATE DTD 11/04/2021 1.650% 11/04/2026	025816CM9	450,000.00	BBB+	A2	11/19/21	11/23/21	449,316.00	1.68	3,031.88	449,572.26	398,081.70
JPMORGAN CHASE & CO NOTES (CALLABLE) DTD 11/19/2020 1.045% 11/19/2026	46647PBT2	350,000.00	A-	A1	11/24/21	11/29/21	339,717.00	1.66	1,341.08	343,516.50	312,512.55
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/10/2022 1.700% 01/08/2027	14913R2U0	450,000.00	A	A2	01/11/22	01/13/22	447,727.50	1.81	1,763.75	448,508.71	402,906.60
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	80,000.00	A	A2	01/19/22	01/24/22	79,864.00	1.99	329.33	79,910.03	72,182.24
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	900,000.00	A	A1	01/26/22	01/28/22	898,002.00	2.10	3,331.25	898,671.29	804,452.40



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BERKSHIRE HATHAWAY CORP NOTES (CALLABLE) DTD 03/15/2022 2.300% 03/15/2027	084664CZ2	900,000.00	AA	Aa2	03/15/22	03/17/22	883,116.00	2.70	920.00	888,327.45	821,961.00
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.905% 06/09/2027	63254ABE7	400,000.00	AA-	Aa3	06/09/22	06/13/22	396,424.00	4.10	4,859.56	397,356.27	376,435.60
TEXAS INSTRUMENTS INC CORP NOTE (CALLABLE) DTD 11/18/2022 4.600% 02/15/2028	882508BV5	100,000.00	A+	Aa3	05/11/23	05/18/23	102,404.00	4.04	587.78	102,212.02	97,928.30
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	70,000.00	A-	A2	05/23/23	05/25/23	69,874.00	4.49	1,090.25	69,882.95	67,614.47
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	450,000.00	A	A2	07/21/23	07/25/23	453,438.00	4.78	4,764.38	453,309.26	443,295.00
Security Type Sub-Total		13,065,000.00					13,142,209.60	2.13	78,007.73	13,077,594.02	12,318,241.47
Certificate of Deposit											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	850,000.00	A	A1	10/27/22	10/31/22	850,000.00	5.58	44,294.44	850,000.00	849,716.87
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	850,000.00	AA-	Aa3	11/02/22	11/03/22	850,000.00	5.53	19,324.28	850,000.00	843,304.55
Security Type Sub-Total		1,700,000.00					1,700,000.00	5.56	63,618.72	1,700,000.00	1,693,021.42
Asset-Backed Security											
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	20,795.80	AAA	NR	09/22/20	09/29/20	20,792.75	0.37	2.78	20,795.01	20,626.14
MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	109,704.16	AAA	NR	06/22/21	06/29/21	109,695.87	0.40	19.50	109,701.40	108,829.42



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	540,000.00	NR	Aaa	09/08/21	09/15/21	539,979.59	0.43	38.70	539,991.97	531,516.76
GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	14,681.95	AAA	NR	05/18/21	05/26/21	14,680.72	0.41	1.84	14,681.45	14,650.85
GMALT 2021-3 A4 DTD 08/18/2021 0.500% 07/21/2025	36262XAD6	145,000.00	AAA	NR	08/10/21	08/18/21	144,994.77	0.50	22.15	144,997.59	142,131.83
HAROT 2021-2 A3 DTD 05/26/2021 0.330% 08/15/2025	43811JAC1	105,201.70	AAA	Aaa	05/18/21	05/26/21	105,197.60	0.33	15.43	105,199.88	102,656.97
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	30,507.09	AAA	NR	10/06/20	10/14/20	30,500.57	0.38	4.83	30,504.56	30,023.07
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	41,272.36	AAA	NR	04/20/21	04/28/21	41,268.03	0.38	6.97	41,270.43	40,457.90
NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	349,561.24	AAA	Aaa	06/15/21	06/23/21	349,555.34	0.33	51.27	349,558.45	339,065.77
TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	352,122.15	AAA	NR	06/08/21	06/14/21	352,084.23	0.26	40.69	352,103.91	342,428.19
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	26,289.32	AAA	NR	01/20/21	01/27/21	26,284.13	0.34	3.97	26,286.97	25,634.84
HART 2021-B A3 DTD 07/28/2021 0.380% 01/15/2026	44934KAC8	249,612.03	AAA	NR	07/20/21	07/28/21	249,556.95	0.39	42.16	249,583.78	242,096.21
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	158,570.76	NR	Aaa	11/16/21	11/24/21	158,537.33	0.89	38.76	158,552.21	152,490.25
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	75,972.59	AAA	NR	04/13/21	04/21/21	75,956.21	0.52	17.56	75,964.51	73,707.18
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	124,245.75	AAA	NR	11/09/21	11/17/21	124,218.02	0.75	40.86	124,229.57	120,067.13
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	281,478.90	AAA	Aaa	07/21/21	07/28/21	281,432.60	0.55	68.81	281,453.24	270,374.25



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	171,150.91	AAA	NR	07/13/21	07/21/21	171,140.33	0.48	34.23	171,145.07	165,349.94
COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	600,000.00	AAA	NR	07/15/21	07/22/21	599,975.70	0.55	146.67	599,986.40	575,681.34
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	162,401.10	AAA	Aaa	10/19/21	10/27/21	162,398.03	0.77	55.58	162,399.24	155,858.12
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	133,649.52	AAA	Aaa	10/13/21	10/21/21	133,646.11	0.68	37.87	133,647.46	128,324.84
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	420,000.00	AAA	NR	07/12/22	07/20/22	419,990.09	3.97	741.07	419,992.60	410,025.67
FORDO 2023-A A3 DTD 03/31/2023 4.650% 02/15/2028	344928AD8	155,000.00	AAA	NR	03/28/23	03/31/23	154,983.83	4.65	320.33	154,985.50	152,201.83
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815OAC1	385,000.00	AAA	NR	08/15/23	08/22/23	384,920.61	5.42	752.14	384,922.55	383,794.53
DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9	380,000.00	NR	Aaa	04/04/23	04/11/23	379,977.96	4.31	727.91	379,980.08	369,997.79
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	205,000.00	AAA	NR	06/08/23	06/16/23	204,953.59	4.79	436.42	204,956.36	202,143.22
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	225,000.00	AAA	NR	06/07/23	06/14/23	224,980.04	4.87	487.00	224,981.25	222,019.74
DCENT 2023-A2 A DTD 06/28/2023 4.930% 06/15/2028	254683CZ6	420,000.00	AAA	Aaa	06/21/23	06/28/23	419,943.26	4.93	920.27	419,946.23	414,939.59
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	420,000.00	AAA	Aaa	08/15/23	08/23/23	419,973.96	5.53	1,032.27	419,974.52	418,555.12
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	495,000.00	AAA	NR	09/12/23	09/19/23	494,977.87	5.23	862.95	494,976.88	493,315.02
Security Type Sub-Total		6,797,217.33					6,796,596.09	2.52	6,970.99	6,796,769.07	6,648,963.51



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

Rancho Cordova - [REDACTED]											
Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Managed Account Sub-Total		66,381,709.74					65,492,666.99	2.39	313,042.11	65,438,469.81	62,991,666.12
Joint Powers Authority											
CAMP Pool		58,402,296.49	AAAm	NR			58,402,296.49		0.00	58,402,296.49	58,402,296.49
Liquid Sub-Total		58,402,296.49					58,402,296.49		0.00	58,402,296.49	58,402,296.49
Securities Sub-Total		\$124,784,006.23					\$123,894,963.48	2.39%	\$313,042.11	\$123,840,766.30	\$121,393,962.61
Accrued Interest											\$313,042.11
Total Investments											\$121,707,004.72

ITEM 9.2
SECURITIES HELD

As of September 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Cash and Cash Equivalents										
	Cash and Cash Equivalents	0.000		34,292.59	34,292.59	34,292.59	34,292.59	0.00	0.00	0.05
Total Cash and Cash Equivalents				34,292.59	34,292.59	34,292.59	34,292.59	0.00	0.00	0.05
Corporate Bonds										
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	3.550	01/12/2024	600,000.00	654,468.00	605,115.78	596,105.09	(9,010.69)	4,615.00	1.02
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23) 12/23/2023	3.650	01/23/2024 12/23/2023	1,000,000.00	1,076,820.00	1,007,068.80	993,122.36	(13,946.44)	6,793.06	1.69
459200HU8	IBM CORP 3.625% 12FEB2024	3.625	02/12/2024	600,000.00	652,356.00	606,563.15	595,077.03	(11,486.12)	2,900.00	1.02
037833CU2	APPLE INC 2.85% 11MAY2024 (CALLABLE 11MAR24) 03/11/2024	2.850	05/11/2024 03/11/2024	400,000.00	413,260.00	401,365.00	393,150.46	(8,214.54)	4,401.67	0.65
14913R2L0	CATERPILLAR FINL SERVICE 0.45% 17MAY2024	0.450	05/17/2024	1,000,000.00	998,760.00	999,710.11	968,705.96	(31,004.15)	1,662.50	1.56
931142DV2	WALMART INC 2.65% 15DEC2024 (CALLABLE 15OCT24) 10/15/2024	2.650	12/15/2024 10/15/2024	950,000.00	1,009,812.00	970,206.76	920,365.58	(49,841.18)	7,342.71	1.58
166764BW9	CHEVRON CORP 1.554% 11MAY2025 (CALLABLE 11APR25)	1.554	05/11/2025 04/11/2025	1,600,000.00	1,525,696.00	1,560,137.93	1,505,385.76	(54,752.17)	9,600.27	2.39
24422ETC3	JOHN DEERE CAPITAL CORP 3.4% 11SEP2025	3.400	09/11/2025	600,000.00	593,280.00	595,686.15	577,842.04	(17,844.11)	1,076.67	0.93
478160BY9	JOHNSON & JOHNSON 2.45% 01MAR2026 (CALLABLE 01DEC25)	2.450	03/01/2026 12/01/2025	1,000,000.00	949,330.00	954,548.33	939,271.22	(15,277.11)	1,973.61	1.49
06051GFX2	BANK OF AMERICA CORP 3.5% 19APR2026	3.500	04/19/2026	800,000.00	768,064.00	770,234.09	755,287.11	(14,946.98)	12,522.22	1.20

ITEM 9.2 SECURITIES HELD

As of September 30, 2023

ATTACHMENT 1
FRANCISCO CORDOVA

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
023135BX3	AMAZON.COM INC 1% 12MAY2026 (CALLABLE 12APR26)	1.000	05/12/2026 04/12/2026	1,000,000.00	902,520.00	911,875.09	899,087.54	(12,787.55)	3,833.33	1.41
46625HRS1	JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26)	3.200	06/15/2026 03/15/2026	1,000,000.00	949,700.00	963,591.31	940,182.25	(23,409.06)	9,333.33	1.49
693475AX3	PNC FINANCIAL SERVICES 2.6% 23JUL2026 (CALLABLE 23MAY26)	2.600	07/23/2026 05/24/2026	800,000.00	741,568.00	745,192.95	738,333.50	(6,859.45)	3,871.11	1.16
89236TDR3	TOYOTA MOTOR CREDIT CORP 3.2% 11JAN2027	3.200	01/11/2027	1,100,000.00	1,031,052.00	1,033,256.08	1,028,524.23	(4,731.85)	7,724.44	1.61
24422EWD7	JOHN DEERE CAPITAL CORP 2.35% 08MAR2027	2.350	03/08/2027	600,000.00	553,404.00	556,886.51	544,052.40	(12,834.11)	861.67	0.87
437076CA8	HOME DEPOT INC 2.5% 15APR2027 (CALLABLE 15FEB27)	2.500	04/15/2027 02/15/2027	1,500,000.00	1,398,930.00	1,406,348.66	1,368,410.45	(37,938.21)	17,187.50	2.19
91159HHR4	US BANCORP 3.15% 27APR2027 (CALLABLE 27MAR27)	3.150	04/27/2027 03/27/2027	850,000.00	789,072.00	792,086.90	776,623.94	(15,462.96)	11,379.38	1.23
194162AN3	COLGATE-PALMOLIVE CO 3.1% 15AUG2027 (CALLABLE 15JUL27)	3.100	08/15/2027 07/15/2027	1,567,000.00	1,501,091.98	1,505,541.65	1,466,377.12	(39,164.53)	6,072.13	2.35
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	2.900	09/12/2027 06/12/2027	900,000.00	850,563.00	858,816.98	831,069.23	(27,747.75)	1,305.00	1.33
89236TKL8	TOYOTA MOTOR CREDIT CORP 5.45% 10NOV2027	5.450	11/10/2027	500,000.00	512,655.00	511,906.80	501,648.46	(10,258.34)	10,597.22	0.80
02665WED9	AMERICAN HONDA FINANCE 4.7% 12JAN2028	4.700	01/12/2028	600,000.00	611,328.00	610,378.95	583,045.92	(27,333.03)	6,110.00	0.96
Total Corporate Bonds				18,967,000.00	18,483,729.98	18,366,517.98	17,921,667.65	(444,850.33)	131,162.82	28.93

ITEM 9.2 SECURITIES HELD

As of September 30, 2023

ATTACHMENT 1
FRANCISCO CORDOVA

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3133EKKU9	FEDERAL FARM CREDIT BANK 2.3% 08NOV2023	2.300	11/08/2023	1,100,000.00	1,122,682.00	1,100,545.86	1,096,397.85	(4,148.01)	9,979.44	1.76
3133EJ2B4	FEDERAL FARM CREDIT BANK 3% 06DEC2023	3.000	12/06/2023	1,250,000.00	1,339,837.50	1,256,131.62	1,244,397.15	(11,734.47)	11,875.00	2.10
3134GVP51	FREDDIE MAC 0.5% 15DEC2023 CALLABLE	0.500	12/15/2023	1,000,000.00	1,000,000.00	1,000,000.00	989,817.10	(10,182.90)	1,458.33	1.56
3133EKMx1	FEDERAL FARM CREDIT BANK 2.23% 23FEB2024	2.230	02/23/2024	2,100,000.00	2,129,174.84	2,102,537.71	2,072,227.14	(30,310.57)	4,813.08	3.33
3130AMQQ8	FEDERAL HOME LOAN BANK 0.35% 23APR2024 (CALLABLE 23DEC23)	0.350	04/23/2024 12/23/2023	1,000,000.00	999,000.00	999,802.34	971,109.43	(28,692.91)	943.06	1.56
3130A1XJ2	FEDERAL HOME LOAN BANK 2.875% 14JUN2024	2.875	06/14/2024	835,000.00	881,814.28	842,082.09	819,002.79	(23,079.30)	7,068.51	1.38
3135GAC90	FANNIE MAE 0.25% 15JUL2024 (CALLABLE 15OCT23)	0.250	07/15/2024 10/15/2023	500,000.00	500,000.00	500,000.00	479,422.20	(20,577.80)	260.42	0.78
3130AL2A1	FEDERAL HOME LOAN BANK 0.5% 10FEB2025 (CALLABLE 10NOV23)	0.500	02/10/2025 11/10/2023	1,000,000.00	1,002,860.00	1,000,000.00	934,119.44	(65,880.56)	694.44	1.57
3133ENP95	FEDERAL FARM CREDIT BANK 4.25% 30SEP2025	4.250	09/30/2025	1,150,000.00	1,151,759.50	1,151,176.27	1,130,517.38	(20,658.89)	24,437.50	1.80
3133EPMB8	FEDERAL FARM CREDIT BANK 4.125% 08DEC2025	4.125	12/08/2025	1,500,000.00	1,484,865.00	1,486,584.50	1,469,519.09	(17,065.41)	19,250.00	2.32
3133EPCF0	FEDERAL FARM CREDIT BANK 4.5% 02MAR2026	4.500	03/02/2026	1,100,000.00	1,120,416.00	1,116,971.16	1,088,375.52	(28,595.64)	3,850.00	1.75
3133EPHH1	FEDERAL FARM CREDIT BANK 4% 28APR2026	4.000	04/28/2026	900,000.00	906,378.30	905,542.19	879,085.58	(26,456.61)	15,200.00	1.42

ITEM 9.2 SECURITIES HELD

As of September 30, 2023

ATTACHMENT 1
FRANCISCO CORDOVA

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3130AN4T4	FEDERAL HOME LOAN BANK 0.875% 12JUN2026	0.875	06/12/2026	1,000,000.00	903,900.00	912,864.55	898,700.50	(14,164.05)	2,625.00	1.41
3130AWLZ1	FEDERAL HOME LOAN BANK 4.75% 12JUN2026	4.750	06/12/2026	1,150,000.00	1,146,607.50	1,146,692.57	1,144,171.60	(2,520.97)	12,138.89	1.79
3133EPNG6	FEDERAL FARM CREDIT BANK 4.375% 23JUN2026	4.375	06/23/2026	1,000,000.00	1,000,360.00	1,000,326.76	986,876.30	(13,450.46)	11,788.19	1.57
3133ENV72	FEDERAL FARM CREDIT BANK 4.5% 27JUL2026	4.500	07/27/2026	1,000,000.00	998,761.20	999,064.69	987,013.24	(12,051.45)	7,875.00	1.56
3130APJH9	FEDERAL HOME LOAN BANK 1% 28OCT2026 (CALLABLE 28OCT23) #0006	1.000	10/28/2026 10/28/2023	1,300,000.00	1,178,866.00	1,201,456.33	1,171,990.13	(29,466.20)	5,488.89	1.84
3130ATUS4	FEDERAL HOME LOAN BANK 4.25% 10DEC2027	4.250	12/10/2027	1,200,000.00	1,206,438.70	1,205,600.48	1,179,040.69	(26,559.79)	15,583.33	1.89
3133EN5N6	FEDERAL FARM CREDIT BANK 4% 06JAN2028	4.000	01/06/2028	900,000.00	904,194.00	903,637.48	872,546.03	(31,091.45)	8,400.00	1.42
3130ATS57	FEDERAL HOME LOAN BANK 4.5% 10MAR2028	4.500	03/10/2028	1,000,000.00	1,014,989.00	1,013,316.16	994,617.89	(18,698.27)	2,500.00	1.59
3130AWC24	FEDERAL HOME LOAN BANK 4% 09JUN2028	4.000	06/09/2028	1,000,000.00	999,822.81	999,832.81	971,176.55	(28,656.26)	13,222.22	1.56
Total Government Agencies				22,985,000.00	22,992,726.63	22,844,165.57	22,380,123.60	(464,041.97)	179,451.30	35.98
Government Bonds										
912828T26	USA TREASURY 1.375% 30SEP2023	1.375	09/30/2023	1,000,000.00	985,940.85	1,000,000.00	1,000,000.00	0.00	6,875.00	1.54
912828T91	USA TREASURY 1.625% 31OCT2023	1.625	10/31/2023	500,000.00	512,638.39	500,523.78	498,516.77	(2,007.01)	3,378.06	0.80

ITEM 9.2
SECURITIES HELD

As of September 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CDM0	USA TREASURY 0.5% 30NOV2023	0.500	11/30/2023	1,200,000.00	1,191,894.65	1,199,285.51	1,190,487.13	(8,798.38)	2,000.00	1.87
912828W71	USA TREASURY 2.125% 31MAR2024	2.125	03/31/2024	1,000,000.00	1,019,143.98	1,002,167.91	983,632.81	(18,535.10)	10,625.00	1.59
91282CCG4	USA TREASURY 0.25% 15JUN2024	0.250	06/15/2024	900,000.00	894,413.17	898,670.05	867,691.40	(30,978.65)	657.79	1.40
912828YE4	USA TREASURY 1.25% 31AUG2024	1.250	08/31/2024	1,150,000.00	1,180,999.95	1,159,275.14	1,106,785.16	(52,489.98)	1,184.75	1.85
912828YH7	USA TREASURY 1.5% 30SEP2024	1.500	09/30/2024	900,000.00	929,077.23	909,510.51	865,828.13	(43,682.38)	6,750.00	1.45
912828YY0	USA TREASURY 1.75% 31DEC2024	1.750	12/31/2024	1,000,000.00	1,041,253.35	1,015,679.70	956,796.88	(58,882.82)	4,375.00	1.63
91282CGU9	USA TREASURY 3.875% 31MAR2025	3.875	03/31/2025	1,000,000.00	984,143.98	986,611.56	980,117.19	(6,494.37)	19,375.00	1.54
9128284M9	USA TREASURY 2.875% 30APR2025	2.875	04/30/2025	1,000,000.00	965,862.73	970,940.59	964,492.19	(6,448.40)	11,953.13	1.51
912828XZ8	USA TREASURY 2.75% 30JUN2025	2.750	06/30/2025	1,100,000.00	1,059,999.78	1,065,737.08	1,056,171.88	(9,565.20)	7,562.50	1.66
912828Y79	USA TREASURY 2.875% 31JUL2025	2.875	07/31/2025	1,000,000.00	964,534.60	969,180.52	960,859.38	(8,321.14)	4,765.63	1.51
91282CAJ0	USA TREASURY 0.25% 31AUG2025	0.250	08/31/2025	1,400,000.00	1,279,250.00	1,327,342.70	1,277,445.32	(49,897.38)	288.46	2.00
9128285J5	USA TREASURY 3% 31OCT2025	3.000	10/31/2025	750,000.00	739,660.72	743,196.43	720,175.79	(23,020.64)	9,354.62	1.16

SECURITIES HELD

As of September 30, 2023

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
9128285N6	USA TREASURY 2.875% 30NOV2025	2.875	11/30/2025	1,000,000.00	962,347.10	966,605.71	956,640.62	(9,965.09)	9,583.33	1.51
912828YD6	USA TREASURY 1.375% 31AUG2026	1.375	08/31/2026	1,000,000.00	913,909.60	921,360.44	907,304.69	(14,055.75)	1,133.24	1.43
91282CCZ2	USA TREASURY 0.875% 30SEP2026	0.875	09/30/2026	1,000,000.00	899,612.73	908,159.89	892,343.75	(15,816.14)	4,375.00	1.41
91282CDK4	USA TREASURY 1.25% 30NOV2026	1.250	11/30/2026	1,000,000.00	906,487.73	914,063.78	897,265.62	(16,798.16)	4,166.67	1.42
91282CDQ1	USA TREASURY 1.25% 31DEC2026	1.250	12/31/2026	1,000,000.00	904,104.91	911,618.80	895,781.25	(15,837.55)	3,125.00	1.41
91282CEC1	USA TREASURY 1.875% 28FEB2027	1.875	02/28/2027	1,000,000.00	922,698.66	928,543.54	910,156.25	(18,387.29)	1,545.33	1.44
91282CET4	USA TREASURY 2.625% 31MAY2027	2.625	05/31/2027	1,100,000.00	1,031,253.68	1,032,858.26	1,022,570.32	(10,287.94)	9,625.00	1.61
91282CEW7	USA TREASURY 3.25% 30JUN2027	3.250	06/30/2027	1,300,000.00	1,255,875.45	1,258,710.52	1,235,152.35	(23,558.17)	10,562.50	1.97
91282CFU0	USA TREASURY 4.125% 31OCT2027	4.125	10/31/2027	850,000.00	843,893.47	844,148.40	831,904.30	(12,244.10)	14,577.62	1.32
Total Government Bonds				23,150,000.00	22,388,996.71	22,434,190.82	21,978,119.18	(456,071.64)	147,838.63	35.04
Grand total				65,136,292.59	63,899,745.91	63,679,166.96	62,314,203.02	(1,364,963.94)	458,452.75	100.00

MEMORANDUM



ITEM 9.3.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Arlene Granadosin-Jones, Senior Planner
SUBJECT: **SECOND READING OF AN ORDINANCE AMENDING TITLE 23, CHAPTER 23.325 OVERLAY ZONING DISTRICTS, CHAPTER 23.716 LANDSCAPING, CHAPTER 23.719 PARKING AND LOADING, CHAPTER 23.734 ACCESSORY STRUCTURES, CHAPTER 23.743 SIGNS, AND CHAPTER 23.1104 DEFINITIONS (CEQA EXEMPTION FOUND IN GUIDELINE SECTION 15061(B)(3))**

RECOMMENDATION

Waive the second reading and adopt the Ordinance.

RESULT OF RECOMMENDED ACTION

Adoption of the Ordinance would result in amendments to Title 23 Zoning Code, as further described in Attachment 2 of this staff report.

BACKGROUND

On December 4, the City Council waived the first reading and passed to a second reading of the Ordinance.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Ordinance
2. Exhibit A to the Ordinance

CITY OF RANCHO CORDOVA

ORDINANCE NO. XX-2023

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA AMENDING TITLE 23, CHAPTER 23.325 OVERLAY ZONING
DISTRICTS, CHAPTER 23.716 LANDSCAPING, CHAPTER 23.719 PARKING & LOADING,
CHAPTER 23.734 ACCESSORY STRUCTURES, CHAPTER 23.743 SIGNS, AND CHAPTER
23.1104 DEFINITIONS**

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 Rancho Cordova Municipal Code (RCMC) 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 to address issues or concerns with current regulations; and

WHEREAS, Chapter 23.325 Overlay Zoning Districts of the Municipal Code, sets forth the allowable land uses and development standards within the Overlay Zoning Districts:

- A. The Ordinance would revise Table 23.325-1: Allowed Use Provisions in the Convention Overlay Zoning District to clarify the application of the predominant use standard.

WHEREAS, Chapter 23.716 Landscaping of the Municipal Code, sets forth the development and design standards for landscaping within private property in the City:

- A. The Ordinance remove an older version of Figure 23.716.2: Nonpervious Surface Limits in Single-Family and Two-Family Residential Zones.

WHEREAS, Chapter 23.719 Parking & Loading of the Municipal Code, sets forth minimum parking requirements, and development and design standards for parking areas:

- A. The Ordinance would revise Table 23.719-1: Required Minimum Vehicle Ratios to revise “commercial schools” to “schools, private and special/studio” to maintain consistency with allowed land uses table in the Zoning Code.

WHEREAS, Chapter 23.734 Accessory Structures of the Municipal Code, sets forth development and design standards for accessory structures:

- A. The Ordinance would revise Table 23.734-1: Development Standards for Accessory Structures to clarify setback requirements for accessory structures.

WHEREAS, Chapter 23.743 Signs of the Municipal Code, sets forth development and design standards for signs:

- A. The Ordinance would revise Table 23.743-1: Allowed Permanent On-Site Sign Standards to clarify sign requirements.
- B. The Ordinance would revise Section 23.743.050 Prohibited Signs to provide some exceptions for pole signs.

WHEREAS, Chapter 23.1104 Definitions of the Municipal Code, sets forth the definitions for land uses and other terms in the Zoning Code:

- A. The Ordinance would revise the definition for “community centers/civic uses” to include “ballrooms.”

WHEREAS, on December 18, 2023, the City Council held a properly noticed public hearing for this Ordinance and considered all oral and written testimony.

Section 2: Findings. This Ordinance is adopted pursuant to the following findings:

- 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 provide clarification of uses, standards and/or enforcement procedures, address inconsistencies between definitions, delete text that is no longer necessary. 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 address inconsistencies, delete text and graphics that are no longer necessary, and provide clarifying language for implementation.

- C. **The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.** The amendments would address inconsistencies, delete text and graphics that are no longer necessary, and provide clarifying language for implementation. None of these proposed amendments will be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- D. **The proposed amendments are internally consistent with other applicable provisions in this Zoning Code.** The Amendments have been reviewed for consistency with the entirety of the Municipal Code and are 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 adoption.

ITEM 9.3.

ATTACHMENT 1

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

Rancho Cordova

Municipal Code Amendments

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

Note to Reader: Only those sections and/or subsections listed within this document are being amended. Unless otherwise indicated, all sections and subsections prior to and after the amended section and/or subsection shall remain, unchanged.

CHAPTER 23.325.020 CONVENTION (CO) OVERLAY ZONING DISTRICT.**Table 23.325-1: Allowed Use Provisions in the Convention Overlay Zoning District**

Land Use Category	Convention Overlay Zoning District	Special Use Regulations
Residential Uses		
Dwelling, Multifamily	P ¹	
Home Occupations	C	RCMC 23.901.030
Live-Work Facility	C	RCMC 23.901.040
Recreation, Education, and Public Assembly Uses		
Clubs, Lodges, and Private Meeting Halls	P	
Community Centers/Civic Uses	P	
Convention Center	P	
Indoor Amusement/Entertainment Facility	P	
Indoor Fitness and Sports Facility	AUP	
Libraries and Museums	P	
Outdoor Commercial Recreation	AUP	
Parks and Public Plazas	P	
Public Safety Facility	P	
Religious Institutions	C	
Schools, Private and Special/Studios ³	P	
Schools, Public ³	P	
Theaters and Auditoriums	P	
Utility, Transportation, and Communication Use Listings		
Broadcasting and Recording Studios	P	
Heliports	C	
Park and Ride Facility	P	
Telecommunication Facility	C	RCMC 23.907.020
Transit Stations and Terminals	C	

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

Land Use Category	Convention Overlay Zoning District	Special Use Regulations
Utility Facilities and Infrastructure	C	RCMC 23.907.030
Retail, Service, and Office Uses		
Alcoholic Beverage Sales (off-premises consumption) ²	C	
Art, Antique, Collectable	P	
Artisan Shop	P	
Banks and Financial Services	P	
Bars and Nightclubs	C	
Brew Pub ²	P	
Business Support Services	P	
Child Day Care Facility	C	
Commercial Marijuana Uses	N	
Convenience Store	P	
Drive-In and Drive-Through Sales and Service	C	RCMC 23.910.030
Home Improvement Supplies	AUP	
Hotels and Motels	P	
Hotels and Motels, Extended Stay	C	
Medical Services, General	P	
Medical Services, Extended Care	P	
Medical Services, Hospitals	P	
Neighborhood Market/Grocery Stores/Supermarket	P	
Offices, Business and Professional	P	
Offices, Accessory	P	
Personal Services	P	
Restaurants	P	
Retail, Accessory	P	
Retail, General	P	
Tasting Room ²	P	
Veterinary Facility	AUP	
Automobile and Vehicle Uses		
Auto and Vehicle Sales and Rental	AUP	
Car Washing and Detailing	C	RMC 23.913.050
Service Stations	C	

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

Land Use Category	Convention Overlay Zoning District	Special Use Regulations
Vehicle Services, Minor	AUP	
Industrial, Manufacturing, and Processing Uses		
Brewery, Winery, Distillery ²	P	
Manufacturing – Small Scale	AUP	
Printing and Publishing	AUP	
Research and Development	AUP	
Warehousing	AUP	

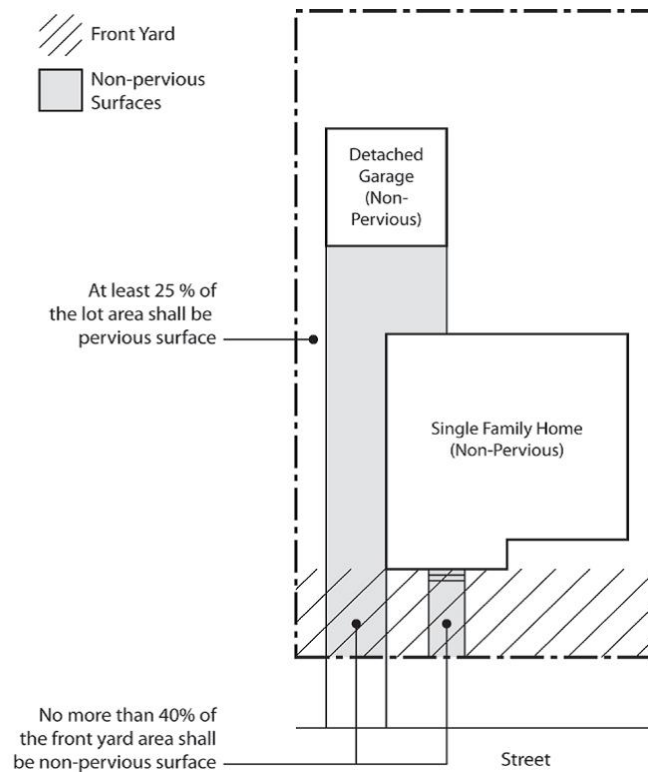
Notes:

1. For mixed-use zones, the use is permitted in conjunction with the predominant use of the underlying base zoning district. In other words, this use is only allowed as part of an integrated development.
2. Off-premises sale of alcohol is an allowed use where such sales are incidental to an allowed use that provides on-site alcohol consumption (restaurant, brew pub, tasting room, etc.).
3. Dormitories on any parcel that is part of a contiguous campus are permitted as an accessory use to the public or private school.

CHAPTER 23.716 LANDSCAPING**23.716.060 Special landscape provisions.**

A. Residential Landscape. For single-family and two-family residential zoning districts, at least 25 percent of the lot area shall be pervious surface. Additionally, no more than 40 percent of the front yard area shall be nonpervious surface (e.g. sidewalks, driveway or parking). Driveway pavement shall be five feet from the side property line in order to provide an area of landscaping between adjacent lots. This setback requirement excludes pedestrian walkways from the driveway to the side yard area. Deviations from these standards may be allowed through site plan and architecture review for small-lot single-family developments at the time of master home plan review where these standards cannot be attained due to design. Remaining unpaved portion shall be landscaped, irrigated, and maintained. See Figure 23.716-2 (Nonpervious Surface Limits in Single-Family and Two-Family Residential Zones). Landscaped (pervious) areas shall include a combination of well-maintained ground cover, shrubs, hedges, trees and other pervious landscape materials.

Figure 23.716-2: Nonpervious Surface Limits in Single-Family and Two-Family Residential Zones



CHAPTER 23.719.070 VEHICLE PARKING REQUIREMENTS.**Table 23.719-1: Required Minimum Vehicle Ratios**

Land Use Category	Vehicle Parking Spaces
Residential Uses	
Adult Day Care Home	None beyond single-family
Caretaker Housing	1/bedroom
Dwelling, Multifamily	
Studio and one-bedroom units	1/unit
Two- and three-bedroom units	2/unit
Four- or more bedroom units	2/unit
+ Guest parking	0.2/unit
Accessory Dwelling Unit ¹¹	1/unit
Junior Accessory Dwelling Unit	No minimum
Dwelling, Single-Family ^{1,2}	2/unit
Dwelling, Two-Family ^{1,2}	2/unit
Family Day Care Home, Large	1 additional
Family Day Care Home, Small	No minimum
Dormitories	1 space/3 occupants
Group Residential	None beyond single-family
Guest House	0 additional
Home Occupations ³	1 additional
Live-Work Facility	2/unit (plus 0.25/unit for guests)
Manufactured Home	2/unit
Mobile Home	2/unit
Mobile Home Park	2/unit
Residential Care Home	1 space per employee, plus 1 space/facility vehicle, plus 1 space/8 persons at facility capacity
Senior Independent Living Facility	0.5/unit (plus 0.1 per unit for guests)
Agriculture, Resource, and Open Space Uses	
Equestrian Facility	1/4 stables

ITEM 9.3.

ATTACHMENT 2 Exhibit A to the Ordinance

Land Use Category	Vehicle Parking Spaces
Recreation, Education, and Public Assembly Uses	
Cemeteries, Mausoleums	1/4 seats ⁵
Clubs, Lodges, and Private Meeting Halls	1/3 seats ⁵
Community Centers/Civic Uses	4/1,000 sf
Community Garden	1/5,000 sf lot area ⁴
Correctional Institution	Parking Study Required
Golf Courses ⁶	10/hole
Indoor Amusement/Entertainment Facility	4/1,000 sf
Indoor Fitness and Sports Facility	4/1,000 sf
Libraries and Museums	3/1,000 sf
Outdoor Commercial Recreation	2/1,000 sf ⁷ or 1/4 seats or person capacity, whichever is greater
Parks and Public Plazas (less than 10 acres)	No minimum
Parks (10 acres or larger)	5% of total site area ^{4,7}
Public Safety Facility	4/1,000 sf
Recreational Vehicle Parks	1.5/site
Religious Institutions	0.3/seat
Resource-Related Recreation	1/10,000 sf land area, minimum 4 spaces
Schools, Public	
Preschool facilities and kindergartens	1/employee plus 1 per classroom, or 1/3 seats in assembly area, whichever is greater
Elementary or middle schools	1/employee plus 1 per classroom, or 1/3 seats in assembly area, whichever is greater
High schools	1/employee plus 1/3 students in 11th and 12th grades; or 1/3 seats in main auditorium
Colleges	1 space/employee + 1 space/2 students; or 1/3 seats in largest assembly area
Schools, Private and Special/Studio	1 space/employee + 1 space/2 students; or 1/3 seats in largest assembly area
Stadiums/Arenas	Special review of parking required
Theaters and Auditoriums	0.3/seat ¹⁰
Utility, Transportation, and Communication Use Listings	
Airport	Parking Study Required
Broadcasting and Recording Studios	3.2/1,000 sf
Heliports	1/landing pad

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

Land Use Category	Vehicle Parking Spaces
Park and Ride Facility	N/A
Parking Facility	N/A
Telecommunication Facility	0.5/1 employee
Utility Facilities and Infrastructure	0.5/1 employee
Retail, Service, and Office Uses	
Adult Day Care Facility	1 space/employee, plus 1 space/facility vehicle, plus 1 space/8 persons at facility capacity
Alcoholic Beverage Sales	3.6/1,000 sf
Ambulance Service	3.2/1,000 sf
Animal Sales and Grooming	3.6/1,000 sf
Art, Antique, Collectable	3.6/1,000 sf
Artisan Shops	3.6/1,000 sf
Banks and Financial Services	3/1,000 sf
Bars and Nightclubs	1 per 3 fixed seats, or 1/50 sf of net floor area of assembly space
Bed and Breakfast Inns	1/room
Building Materials Stores and Yards	1/1,000 sf
Business Support Services	3.2/1,000 sf
Call Centers	5/1,000 sf
Child Day Care Facility	1 space/employee, plus 1 space/facility vehicle, plus 1 space/8 persons at facility capacity
Convenience Stores	3.6/1,000 sf
Drive-In and Drive-Through Sales and Service (not including restaurants)	1 space/2 employees during period of greatest employment
Equipment Sales and Rental ⁸	1/250 sf interior sales area, plus 1/1,000 sf exterior display area
Furniture, Furnishings, and Appliance Stores	1/1,000 sf
Garden Center/Plant Nursery	1/300 sf retail sales area, plus 1/1,000 sf exterior display area
Grocery Stores/Supermarket	3.5/1,000 sf
Home Improvement Supplies	2/1,000 sf
Hotels and Motels	1/room
Kennels, Commercial	3.2/1,000 sf
Maintenance and Repair, Small Equipment	3.2/1,000 sf
Medical Services, General	3.9/1,000 sf

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

Land Use Category	Vehicle Parking Spaces
Medical Services, Extended Care	1 space/employee, plus 1 space/facility vehicle, plus 1 space/8 persons at facility capacity
Medical Services, Hospitals ⁹	2/bed or 2/1,000 sf
Mortuaries and Funeral Homes ⁵	1/3 seats
Neighborhood Market	3/1,000 sf
Offices, Business and Professional ¹²	3/1,000 sf
Offices, Accessory	3/1,000 sf
Personal Services	3.2/1,000 sf
Residential Care Facility	1 space/employee, plus 1 space/facility vehicle, plus 1 space/8 persons at facility capacity
Restaurants	1/3 seats
Retail, Accessory	3.6/1,000 sf
Retail, General	3.6/1,000 sf
Retail, Warehouse Club	3.6/1,000 sf
Veterinary Facility	3.2/1,000 sf
Regional Shopping Center	5.5/1,000 sf
Tasting Room ¹³	1 space/300 sf
Vehicle Uses	
Vehicle Dismantling	3 spaces, plus 1 space/employee
Vehicle Sales and Rental	2.5/1,000 sf, plus 1 space per rental vehicle
Vehicle Sales, Wholesale	1/1,000 sf, minimum 2 spaces
Vehicle Storage	1/2,000 sf, plus 1 space/company-operated vehicle
Vehicle Parts Sales	3.6/1,000 sf
Car Washing and Detailing	3 spaces minimum + 2 per bay
Service Stations	3 spaces minimum + 2 per bay
Vehicle Services	2 per service bay
Industrial, Manufacturing, and Processing Uses	
Agricultural Products Processing	1.6/1,000 sf, plus 1 space/company-operated vehicle
Manufacturing ¹⁴	1/1,000 sf, plus 1 space/company-operated vehicle
Office (as accessory to a use in this category)	2.7/1,000 sf
Printing and Publishing	1/1,000 sf, plus 1 space/company-operated vehicle
Recycling Facility, Processing	1/200 sf office space, plus 1 space/employee
Recycling Facility, Scrap and Dismantling Facility	1/1,000 sf, plus 1 space/company-operated vehicle
Research and Development	2.5/1,000 sf

Land Use Category	Vehicle Parking Spaces
Storage, Personal Storage Facility ¹⁵	1/2,000 sf, plus 1 space/company-operated vehicle
Storage, Warehouse	0.5/1,000 sf, plus 1 space/company-operated vehicle
Wholesaling and Distribution	0.5/1,000 sf, plus 1 space/company-operated vehicle
Special Regulated Uses	
Card Rooms	1/2 seats in play area
Check Cashing Businesses	3.6/1,000 sf
Massage Parlor	3.2/1,000 sf
Pawnshops	3.6/1,000 sf
Recycling Facility, Collection Facility	3.2/1,000 sf
Sexually Oriented Businesses	1/3 fixed seats or 4/1,000 sf, whichever is greater
Smoke Shops	3.6/1,000 sf
Tattoo Parlors	3.6/1,000 sf
Thrift Store	3.6/1,000 sf

Notes:

1. See RCMC 23.719.130.
2. Parking may be reduced to one space per unit for residential units for low or moderate income subsidized homeownership units.
3. Additional parking for home occupations is not required to be covered or enclosed and may occur within the front or street-side yard setback on a driveway or other paved surface.
4. On-street parking space adjacent to park property may be credited toward parking requirement.
5. Applies to seating in main or largest assembly area only.
6. Clubhouse calculated as retail and provided in addition to required spaces for golf courses. Additional parking not required for accessory uses (e.g., driving ranges, putting greens, maintenance shops, equipment storage).
7. Parking based on area of active recreation only.
8. Indoor and outdoor merchandise display areas.
9. Calculate associated medical office facilities as medical services, general.
10. If fixed seating is not used, then parking shall be provided at a ratio of one space/30 square feet of floor area in the assembly hall(s).
11. Parking requirements shall be in compliance with Government Code Section 65852.2. No additional parking shall be required for an accessory dwelling unit if: the unit is located within one-half mile of public transit, the unit is located within an architecturally and historically significant district; the unit is part of the existing primary residence or an existing accessory structure; or there is a car share vehicle located within one block of the unit.
12. Office, business and professional shall be allowed up to 200 percent of minimum required parking by right with no additional approvals.
13. Required parking spaces for adjacent uses can be counted towards the required parking for a tasting room as long as the hours of operations for the use do not overlap with the tasting room hours.
14. Manufacturing shall be allowed up to 300 percent of minimum required parking by right with no additional approvals.
15. Personal storage facilities with internally accessed storage units (units not directly accessed from internal drive aisles) shall provide loading zones at each building with number of loading spaces determined during project review. [Ord. 1-2022 § 3 (Exh. A); Ord. 3-2019 § 5 (Exh. A); Ord. 4-2018 § 3 (Exh. A); Ord. 4-2017 § 3 (Exh. B); Ord. 12-2011 § 3 (Exh. A); Ord. 27-2008 § 1 (Exh. A § 4.7.080). Formerly 23.719.080].

CHAPTER 23.734 ACCESSORY STRUCTURES.**Table 23.734-1: Development Standards for Accessory Structures**

Accessory Use	Type	Interior Property Line	Rear Property Line	Zoning Certification
General Accessory Structure	Square footage less than 120 and less than 8 feet in height overall	3 feet The structure shall not be placed closer to the front lot line than the farthest back front wall of the principal building.	3 feet	No
	Square footage 120 and more and/or more than 8 feet in height overall	For structures 8 feet in height, the minimum setback from the rear and side property lines is 5 feet. Up to every ½ foot increase in height over 8 feet, the setback shall increase by another ½ foot. (For example: 8 feet tall= 5-foot setback; 8.5 feet tall=5.5-foot setback; 8.75 feet tall = 6-foot setback...)	. For structures 8 feet in height, the minimum setback from the rear and side property lines is 5 feet. Up to every ½ foot increase in height over 8 feet, the setback shall increase by another ½ foot. (For example: 8 feet tall= 5-foot setback; 8.5 feet tall=5.5-foot setback; 8.75 feet tall = 6-foot setback...)	Yes
Swimming Pools, Spas, and Pool Equipment (Setbacks shall be from the right-of-way or property line to the water line or pool equipment)		3 feet	3 feet	Yes
Landscape Features	Square footage less than 120 and less than 8 feet in height	3 feet	3 feet	No
Pad, Less Than 8 Inches Tall		None	None	No
Pad, Driveway		5 feet from the property line	None	No

CHAPTER 23.743.050 PROHIBITED SIGNS

The signs listed in this section are inconsistent with the purposes and standards of this chapter as described below and as such are prohibited in all zoning districts, unless specifically authorized by another provision of this chapter:

- A. Moving or rotating signs, except barber poles at barbershops.
- B. Signs with flashing, moving, or animated illumination (e.g., flashing signs), except barber poles at barbershops and electronic readerboards. Sign content must remain static and not change message or appearance and may only change message or appearance after a minimum period of 60 minutes.
- C. Any sign displaying any obscene matter.
- D. Signs located within the clear vision triangle as defined by Improvement Standard 4-18, Visibility Restrictions at Driveways and Intersections, and any future updates thereto.
- E. Signs which imitate or resemble official traffic warning devices or signs, that by color, location, content, or lighting may confuse or disorient vehicular or pedestrian traffic, excluding on-site directional signs as specified in RCMC 23.743.040 (Sign exemptions).
- F. Portable signs (e.g., A-frame sign), except for real estate signs as provided in RCMC 23.743.085 (Real estate sign standards) or as permitted as a temporary sign with a temporary use permit as provided in RCMC 23.743.070 (Allowed temporary on-site sign standards).
- G. Temporary signs, except when a valid temporary use permit has been issued or as otherwise exempted in RCMC 23.743.030 (Permit requirements for signs).
- H. Inflatable or lighter-than-air devices (e.g., balloon sign) of any kind when attached or secured from the ground or to any object on the ground, except for residential real estate as part of zoning certification and under the standards of RCMC 23.743.085 (Real estate sign standards) or except when a valid temporary use permit has been issued as provided for in RCMC 23.743.070 (Allowed temporary on-site sign standards).
- I. Portable readerboard advertising devices which are readerboard signs affixed with wheels so as to make them moveable signs.
- J. Signs projecting over roofs and roof signs, except where specifically provided for under the provisions of signs attached to buildings.
- K. Signs projecting from buildings, except where provided for in a special sign district ordinance or otherwise specifically provided for.
- L. Banners, except when allowed through a temporary use permit or a grand opening event as described in RCMC 23.743.070 (Allowed temporary on-site sign standards).
- M. Pennant flags and string pennant flags.
- N. Wind signs.
- O. Vehicle signs (large) as defined in this chapter.

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

P. Video display signs, except as provided for in RCMC 23.743.065 (Standards for electronic message signs).

Q. Reserved.

R. Digital freeway signs, except as provided for in RCMC 23.743.150 (Digital freeway signs overlay).

S. Electronic message and graphic display signs, except as provided for in RCMC 23.743.065 (Standards for electronic message signs).

T. Signs with fluctuating illumination, including any changes in light intensity or use of intermittent, strobe, or moving light that does not fall under the definition of another sign type (e.g., video display sign), unless approved under RCMC 23.743.065.

U. Any other advertising device attached to a building, fence, pole, or vehicle on display not specifically mentioned, unless otherwise provided for in this code.

V. Any sign in the public right-of-way unless otherwise permitted in this code or by the public works director (e.g., encroachment permit).

W. Signs on portions of a structure exempted from the height requirements as described in RCMC 23.701.040 (Height exceptions) when said features exceed the height limit of the underlying zone.

X. Pylon signs.

Y. Pole signs except for signs as described RCMC 23.743.040.A.2.g (on-site directional signs) and 23.743.040.A.2.i (menu/order board signs). [Ord. 4-2018 § 3 (Exh. A); Ord. 4-2017 § 3 (Exh. B); Ord. 12-2014 § 3 (Exh. C); Ord. 16-2012 § 3 (Exh. A); Ord. 12-2011 § 3 (Exh. A); Ord. 27-2008 § 1 (Exh. A § 4.15.050)].

CHAPTER 23.743.060 ALLOWED PERMANENT ON-SITE SIGN STANDARDS.

Table 23.743-1: Allowed Permanent On-Site Sign Standards

Sign Type		Maximum Number Permitted	Maximum Area ³	Maximum Height	Illumination Allowed	Minimum Setback from ROW	Other Standards
Home Occupations							
Building-Attached Sign	All types	1 per home occupation	4 sf	Not extending above the roofline of the building	No		
Agricultural Uses							
Freestanding Sign	Monument only	1 per establishment	Parcels < 5 ac, 16 sf; Parcels > 5 ac, 24 sf	6 ft	No	10 ft	
Permanent Subdivision Identification Signs							

ITEM 9.3.

ATTACHMENT 2 Exhibit A to the Ordinance

Sign Type		Maximum Number Permitted	Maximum Area ³	Maximum Height	Illumination Allowed	Minimum Setback from ROW	Other Standards
Freestanding Sign	Monument or on fence/wall, not in ROW	1 per entrance	24 sf	6 ft	Yes	10 ft	
	Monument, w/in ROW	1 per entrance	24 sf	6 ft	No	1	
Multifamily Dwellings and Complexes							
Building-Attached Signs	All types	1 per entrance	24 sf	Not extending above the roofline of the building	Yes		
Freestanding Sign	Monument only	1 per entrance	24 sf	6 ft	Yes	10 ft	
Commercial Uses							
Building-Attached Signs	All types	No maximum	< 50 ft from ROW: 2:1; ≥ 50 ft from ROW: 3:1	Not extending above the roofline of the building	Yes		
Freestanding Signs for Individual Buildings Not Part of an Integrated Development	Monument only	1 per project entrance	50 sf	10 ft	Yes	10 ft	
Freestanding Signs for Integrated Developments	Monument only	1 per project entrance	150 sf/sign	10 ft	Yes	10 ft	
Office Uses							
Building-Attached Signs	All types	1 per establishment per building frontage	1:1	Not extending above the roofline of the building	Yes		
Freestanding Signs for Individual Buildings Not	Monument only	1 per project entrance	25 sf	10 ft	Yes	10 ft	

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ATTACHMENT 2 Exhibit A to the Ordinance

Sign Type		Maximum Number Permitted	Maximum Area ³	Maximum Height	Illumination Allowed	Minimum Setback from ROW	Other Standards
Part of an Integrated Development							
Freestanding Signs for Integrated Developments	Monument only	1 per project entrance	50 sf/sign	10 ft	Yes	10 ft	
Industrial Uses							
Building-Attached Signs	All types	No maximum	< 50 ft from ROW: 2:1; ≥ 50 ft from ROW: 3:1	Not extending above the roofline of the building	Yes		
Freestanding Signs for Individual Buildings Not Part of an Integrated Development	Monument only	1 per parcel	40 sf	10 ft	Yes	10 ft	
Freestanding Signs for Integrated Developments	Monument only	1 per project entrance	40 sf/sign	10 ft	Yes	10 ft	
Automotive Service Stations²							
Building-Attached Signs	All types	No maximum	125 sf all signs	Not extending above the roofline of the building	Yes		
Freestanding Signs	Monument only	2	36 sf for freestanding signs. 52 sf including pricing signs	10 ft	Yes	10 ft	
Institutional and Public/Quasi-Public Uses							
Building-Attached Signs	All types	1	24 sf	Not extending above the roofline of the building	Yes		

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

Sign Type		Maximum Number Permitted	Maximum Area ³	Maximum Height	Illumination Allowed	Minimum Setback from ROW	Other Standards
Freestanding Signs	Monument only	1 per main entrance	24 sf	6 ft	Yes	10 ft	
Public Assembly Uses							
Building-Attached Signs	All Types	1	36 sf total	Not extending above the roofline of the building	Yes		
Freestanding Sign	Monument only	1	24 sf for freestanding sign	6 ft	Yes	10 ft	

Notes:

1. Within median island, sign must be set back three feet from sides and 12 feet from ends.
 2. Excludes the gas pricing component of the subject sign, which is regulated by state law.
 3. Maximum total sign area may be exceeded with the approval of a unified sign program. Signage may also be permitted to exceed the total signage allowance based on primary site or building frontage by 25 percent with the approval of a unified sign program.
- [Ord. 4-2017 § 3 (Exh. B); Ord. 12-2014 § 3 (Exh. C); Ord. 16-2012 § 3 (Exh. A); Ord. 12-2011 § 3 (Exh. A); Ord. 27-2008 § 1 (Exh. A § 4.15.060)].

CHAPTER 23.1104.040 LAND USE DEFINITIONS.

“Community centers/civic uses” means multipurpose meeting facilities, recreational facilities, and ballrooms typically consisting of one or more meeting or multipurpose rooms, kitchens and/or outdoor barbecue facilities that are available for use by various groups for such activities as meetings, parties, receptions, dances, etc.

MEMORANDUM



ITEM 9.4.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Michelle Mingay, Senior Finance Analyst
SUBJECT: **A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO, AND ACCEPTING, THE FISCAL YEAR 2022-23 DEVELOPMENT IMPACT FEE REPORT FOR ASSEMBLY BILL NO. 1600 DEVELOPMENT FEES**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would approve the annual Development Impact Fee Report prepared in accordance with California Government Code Section 66000, et seq. and ensures the City remains in compliance with AB 1600 reporting requirements.

BACKGROUND

State Law (California Government Code Section 66006) requires each local agency that imposes Assembly Bill No. 1600 (AB 1600) development impact fees to prepare an annual report providing specific information about those fees. AB 1600's legal requirements stipulate that the fees imposed on new development have the proper nexus to any project on which they are imposed. In addition, AB 1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general fund or the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to that fund or account and used only for the purposes for which the fees were collected.

California Government Code Section 66006(b)(1) requires that for each separate account or fund, the local agency shall, within 180 days after the last day of the fiscal year, make available to the public the following information for the fiscal year:

- A brief description of the type of fee in the account or fund
- The amount of the fee
- The beginning and ending balance of the account or fund
- The amount of the fees collected and interest earned
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement including the total percentage of the cost of the public improvement that was funded with fees

- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded

California Government Code Section 66001(d)(1) requires the local agency make all of following findings every fifth year with respect to that portion of the account remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund
- In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed

If the agency no longer needs the funds for the purposes collected, or if the agency fails to make required finding, or perform certain administrative tasks prescribed by AB 1600, the agency may be required to refund, on a prorated basis to owners of the properties upon which the fees for the improvement were imposed, the monies collected for that project and any interest earned on those funds.

The FY 2022-23 Development Impact Fee Report (the “Report”) has been prepared to meet the annual reporting requirements only since the required five-year findings were made in 2019, with the adoption of Resolution No. 133-2019, and therefore will not be required to be made again until 2024. It should also be noted that the Report includes fees that were in place on June 30, 2023, and does not necessarily represent current fee levels since any fee adjustments after June 30 will be captured in the FY 2023-24 Development Impact Fee Report.

The report must be reviewed by the City Council at a regularly scheduled public meeting, not less than 15 days after the information is made available to the public. In addition, notice of the time and place of the meeting shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the local agency for such a mailed notice, of which the City has none. The report was posted to the City’s website and available for public review on December 1, 2023.

FISCAL IMPACT AND FUNDING SOURCE

Ongoing compliance with AB 1600 reporting requirements will allow the City to continue to collect fees from developers to ensure that new development is providing new infrastructure or funds to ensure that their impact upon the City is funded by the development, not by existing residents.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - FY 2022-23 Development Impact Fee Report

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO, AND ACCEPTING, THE FISCAL YEAR 2022-23 PUBLIC FACILITIES FEE REPORT FOR ASSEMBLY BILL NO. 1600 DEVELOPMENT FEES

WHEREAS, the City of Rancho Cordova imposes fees to mitigate the impacts of development, pursuant to Government Code Section 66000 et seq.; and

WHEREAS, in accordance with California Government Code Section 66006(a), the City has established and maintained separate funds for each development impact fee in a manner to avoid any commingling of the fees with other revenues and funds of the City, except for temporary investments, and has expended those fees solely for the purpose for which the fees were collected; and

WHEREAS, California Government Code section 66006(b)(1) requires cities to prepare and make available to the public a report describing each development impact fee and providing details related to its use within one hundred eighty (180) days after the last day of each fiscal year; and

WHEREAS, the Development Impact Fee Report, for the Fiscal Year ending June 30, 2023, (the "Report"), attached hereto as Exhibit A, provides a description of each fee, its amount, and various information required by Government Code section 66006(b)(1) to be reported on an annual basis; and

WHEREAS, the Report provides information required by Government Code sections 66001 and 66006 for the following approved development impact fees:

- **Community Facilities Fee Program:** On April 1, 2013, the City Council approved Resolution No. 38-2013 updating the Community Facilities Fee Program, which was originally established in 2004 and updated in 2005, to fund a portion of the future municipal facilities required to serve an increased City population due to anticipated future development; and
- **Sunrise Douglas Community Plan Development Impact Fees:** On June 21, 2004, the City Council approved Resolution No. 79-2004 establishing the Sunrise Douglas Community Plan Development Impact Fee Program to finance the required roadways, supplemental offsite water, interim sewer, park and library facilities necessary to service development in the Sunridge Specific Plan, as well as defray the cost of routine administration of the Sunrise Douglas Community Plan Development Fee Program; and
- **Transportation Development Impact Fee Program:** On December 19, 2005, the City Council approved Ordinance No. 33-2005 establishing a Transportation Development Impact Fee (TDIF) Program to finance transportation improvements necessary to offset the impact on the City's transportation system of new development in the City, to ensure that adequate funding is provided for improvements required to meet the demands of such new development, and to fund administration of the Fee Program. An update to the TDIF was approved by the City Council on February 7, 2022, with the approval of Resolution No. 15-2022; and

- **Storm Drainage Impact Fee Program:** On October 5, 2020, the City Council approved Ordinance No. 15-2020 establishing the Storm Drainage Impact Fee Program to finance major storm drainage improvements necessary to offset the impacts of new development in the City, to ensure that adequate funding is provided for improvements required to meet the demands of such new development, and to fund administration of the Fee Program; and
- **Measure A – Transportation Improvement Impact Fee:** On January 20, 2009, the City Council approved Ordinance No. 1-2009 establishing development impact fees for Measure A Transportation Improvements. The impact fees were established to provide funding for public facilities needed to serve the City, which facilities are described in the Measure A expenditure plan and the Measure A nexus study. The Measure A impact fee is collected by the City and remitted to the Sacramento Transportation Authority, which administers the impact fee program; and
- **Sacramento Regional Transit District (SacRT) Development Impact Fee Program:** On April 2, 2018, the City Council approved Ordinance No. 5-2018 establishing the Sacramento Regional Transit District (SacRT) Development Impact Fee Program, as outlined in the Sacramento County Roadway and Transit Capital Improvement Programs adopted by the City Council with Resolution No. 38-2018. The City collects and remits the impact fee to SacRT who is then responsible for programming and expending the funds on an annual basis; and
- **Housing Trust Development Impact Fee:** On December 1, 2003, the City Council approved Ordinance No. 26-2003 continuing the Housing Trust Development Impact Fee in effect when the City incorporated, which is to be used to finance municipal public facilities to reduce the impacts caused by future developments in the Rancho Cordova area on the housing stock, including but not limited to very low income housing facilities.

WHEREAS, California Government Code Section 66006(b)(2) requires that the governing body of the City review the information made available to the public at a regularly scheduled public meeting not less than 15 days after the information is made available to the public; and

WHEREAS, the Report was made available to the public on the City's website on December 1, 2023; and

WHEREAS, on December 18, 2023, the City Council reviewed the report and approved it pursuant to Government Code Sections 66001 and 66006.

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

Section 1. The City Council does hereby find and determine that the foregoing recitals and determinations are true and correct.

Section 2. The City Council has reviewed the Report and finds that it complies with California Government Code Section 66006(b), setting the requirements for fiscal year reporting for development impact fees. The City Council finds that the Report provides the following required information:

1. A brief description of the type of fee in the account or fund (Report pg. 4-6);
2. The amount of the fee (Report pg. 6-9);
3. The beginning and ending balance of the account or fund (Report pg. 10-12);
4. The amount of the fees collected and interest earned (Report pg. 13-24);

5. An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees (Report pg. 28-30);
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement (Report pg. 28-30);
7. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan (Report pg. 25-26);
8. The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded (Report pg. 27).

Section 3. The City Council hereby finds that all reportable fees, collections and expenditures have been received, deposited, invested and expended in compliance with the relevant sections of the California Government Code and all other applicable laws for Fiscal Year 2022-23.

Section 4. The City Council hereby finds that no refunds and allocations of reportable fees, as required by California Government Code Section 66001, are deemed payable at this time.

Section 5. The City Council hereby finds the City is in compliance with California Government Code section 66000, et seq., relative to receipt, deposit, investment, expenditure or refund of reportable fees received and expended relative to the individual impact fee programs in place for new development in Fiscal Year 2022-23.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

David Sander, Mayor

Stacy Leitner, CMC
City Clerk

City of Rancho Cordova

Development Impact Fee Report

Fiscal Year Ending
June 30, 2023

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Legal Requirements

A. REQUIREMENTS FOR DEVELOPMENT IMPACT FEES

State law (California Government Code Section 66006) requires each local agency that imposes AB 1600 development impact fees to prepare an annual report providing specific information about those fees. Within the AB1600 legal requirements, it stipulates that fees imposed on new development have the proper nexus to any project on which they are imposed. In addition, AB1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general funds of the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to that fund or account and used only for the purposes for which the fees were collected.

Current California Government Code Section 66006(b) requires that for each separate fund the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and interest earned.
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement including the total percentage of the cost of the public improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

California Government Code Section 66001(d) requires the local agency make all of following findings every fifth year with respect to that portion of the account remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.

ITEM 9.4.

Exhibit A to the Resolution

- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.
- In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

B. ADDITIONAL NOTES

The State of California Government Code Section 66002 requires local agencies that have developed a fee program to adopt a Capital Improvement Plan (CIP) indicating the approximate location, size and timing of projects, plus an estimate for the cost of all facilities or improvements to be financed by fees. A formal CIP is recommended, at a minimum, as a five-year plan. The City annually produces a five-year CIP which provides program summary information for the City's various capital improvement funding programs, as well as project summary information (revenue, expenditures and project schedule) for the specific projects selected for implementation during the CIP period. The CIP describes the five-year plan for allocating funds from the Impact Fee Programs, Measure A Transportation Sales Tax, State and Federal Grants, Gas Tax, Roadway Funds, Supplemental Transportation Fees, Storm Water Utility Tax and Transit Related Service Area Tax. A copy of the City's most recent CIP was adopted as part of the biennial budget document and can be found under the Finance Department page on the City's website at www.cityofranchocordova.org.

The CIP relates the City's annual capital expenditures to a long-range plan for public improvements. By relating the plan for public improvements to the City's capacity for funding, and scheduling expenditures over a period of years, the CIP helps maximize the funds available. This type of fiscal management is important during periods where budgetary demands exceeding financial resources.

C. ESTABLISHING A REASONABLE RELATIONSHIP BETWEEN THE FEE AND THE PURPOSE FOR WHICH IT IS CHARGED

The Development Impact Fee Program has been in effect in Rancho Cordova since incorporation in fiscal year 2003/04. The Development Impact Fee Program consists of multiple components which were individually adopted by the City Council. The program sets forth the relationship between contemplated future development, facilities needed to serve future development and the estimated costs of those improvements based on the current General Plan for build-out.

The City's Capital Improvement Plan (CIP) projects are financed, in part, by the development impact fees outlined in the description of the development impact fees on the following pages. The City's CIP provide infrastructure to the residents and businesses in Rancho Cordova in order to keep pace with ongoing development in, and adjacent to, the community. Estimated project costs, and the summary of fee apportionment to each

development fee type, are detailed within the adopted Nexus Studies establishing the individual Development Impact Fee program(s) and are on file with the City Clerk's Office.

Information on projects in the Development Impact Fee Program(s) can be found on pages 28-30. The information in these tables include: Current Projects, Project Phase, Construction Estimated Start Date, Construction Estimated Completion Date, Estimated Project Cost and Development Fee information including Funding to Date, Budget to Date and % of Total Project Cost.

D. FUNDING OF INFRASTRUCTURE

The 2020/21 - 2024/25 Capital Improvement Plan (CIP) identifies all funding sources and amounts for individual projects through 2024/25. The CIP is updated annually to reflect the current infrastructure needs of the City. As a CIP project is identified, the project is evaluated to determine the portion of the project that will service existing residents and businesses versus new development.

Once the determination of use is made, the percentage of use attributable to new development is then funded by the appropriate development fee, based on the type of project. The percentage of use associated with existing residents or businesses are funded from other appropriate sources as identified on each individual project sheet in the CIP. All future planned infrastructure needs are outlined in the Development Impact Fee Program(s). The funding and commencement dates for projects are adjusted, as needed, to reflect the needs of the community.

E. CURRENT PROJECTS

Construction is currently underway on the following projects:

- 80040 - Chrysanthy Blvd Phase II
- 80075 - Rancho Cordova City Hall - Suite 220 Renovation

Description of Development Impact Fee(s)

Community Facilities Fee (CFF) Program – This program was established by the City to cover the costs of municipal facilities required to serve an increased population as a result of new development. The city has identified these facilities to include a city hall, a police station, a community center, a city corporation yard, a city museum, a parking structure, library facilities and ongoing administration of the CFF program. The fee program was updated in April 2013 and combined fee components from the City's 2004 and 2005 Fee Studies into a single fee category while continuing to report the library fee separately since the City is holding these funds on behalf of the Sacramento Public Library Authority.

Community Facilities Impact Fee – To provide for new development's share of the cost of municipal facilities, furnishing and equipment required to service the City.

Library Impact Fee – To provide for new development's share of the cost of a library building, furnishings, equipment, books, financing, and the purchase of land.

Sunrise Douglas (SD) Impact Fee Program – These specific plan development impact fees are imposed on development in the Sunridge Specific Plan (SRSP), which is part of the Sunrise Douglas Community Plan (SDCP) development area. It includes additional fees for fee program updates, interim sewer facilities, park development improvements, supplemental offsite water facilities, roadways improvements, transit shuttles, and administration of the fee program. These funds can only be spent on facilities in the SDCP Capital Improvement Plan (CIP) to mitigate impact as a result of development in the SDCP area.

SD Interim Sewer Impact Fee – To provide funding for the construction of interim sewer facilities to serve the SRSP area. Upon application by the property owner or his authorized agent, the City may authorize the construction of any interim sewer facilities, or portions thereof, as designated in the SDCP Impact Fee Program in lieu of all, or a portion of, the required interim sewer development fee.

SD Supplemental Offsite Water Impact Fee – To provide funding for the construction of offsite water improvements to serve the SRSP area. Upon application by the property owner or his authorized agent, the City may authorize the construction of any offsite water facilities, or portions thereof, as designated in the SDCP Impact Fee Program in lieu of all, or a portion of, the supplemental offsite water development fee.

SD Roadway Impact Fee – To provide funding to construct roads, intersections, and other roadway improvements in the SDCP CIP needed to mitigate the impacts of new development within the SRSP area. Upon application by the property owner or his authorized agent, the City may authorize the construction of any roadway facilities, or portions thereof, in order of priority as designated on the priority list in the SD Impact Fee Program. The developer will then either be reimbursed for these costs from fees collected from other developers in the SDCP area, only to the extent the funds are available, or a credit for such in lieu construction will be provide to the property owner to be used within the SDCP area.

SD Administration Impact Fee - To provide funding for the administrative duties associated with the SD Impact Fee program.

Traffic Mitigation Impact Fee - This development impact fee is a citywide fee imposed on new development in the City to cover the fair share cost of traffic impacts resulting from new development, including program administration. The funds collected will be used for construction of the transportation improvements listed in the Transportation Capital Improvement Plan (CIP) Development Impact Fee Program.

Upon application by the property owner or his authorized agent, the City may authorize the construction of any transportation facilities, or portions thereof, in order of priority as designated on the priority list for the transportation impact fee program. The developer will then either be reimbursed for these costs from fees collected from other developers, only to the extent the funds are available, or a credit in lieu of all, or a portion of the required transportation impact fee.

Storm Drainage Impact Fee Program - This development impact fee is a citywide fee imposed on new development in the City to cover the fair share cost of major drainage facilities, including program administration.

Storm Drainage - Facilities Fee - All development that contributes to stormwater runoff to the public drainage system is required to pay a drainage impact fee to offset the cost of trunk and regional drainage facilities necessitated by development. Upon application by the property owner or his authorized agent, the City may authorize the construction of any major drainage facility designated in the Storm Drainage Impact Fee Program. If the approved facility is sized to serve more than just the property owners project or if the facility will serve a regional purpose, the developer may qualify for fee credits. The credits are not intended to fully compensate developers for the drainage facilities.

Storm Drainage - Administration Fee - To provide funding for the administrative duties associated with the Storm Drainage Impact Fee program.

Measure A - Transportation Improvement Impact Fee - A impact fee established to provide funding for public facilities to serve the City, which facilities are described in the Measure A expenditure plan and the Measure A nexus study. The Measure A impact fee is collected by the City and remitted to the Sacramento Transportation Authority, which administers the countywide Measure A program.

Sacramento Regional Transit (SacRT) Impact Fee - A impact fee established to provide funding for public facilities to serve the City, which facilities are described in the Sacramento Regional Transit expenditure plan and nexus study. The SacRT impact fee is collected by the City and remitted to the Sacramento Regional Transit District, which administers the program.

Housing Trust Development Impact Fee - A non-residential impact fee used to offset some of the increased burden of need for very low-income housing, created by the construction of non-residential uses, which employ a significant number of low wage earners.

Current Fee Schedule

The Development Fee program is reviewed periodically to ensure the Development Impact Fee Program is accounting for all planned future development. The updated Development Impact Fee Program information is then used to determine the amount of fees available for the funding of the proposed capital improvement projects identified in the development of the five-year Capital Improvement Plan (CIP).

SUNRISE DOUGLAS (SD) IMPACT FEES				
at June 30, 2023				
Fee Category	Residential		Non-Residential	
	Single Family	Multi-Family	Office	Commercial
	Per Unit	Per Unit	Per Sq. Ft	Per Sq. Ft
Sunrise Douglas (SD) Impact Fees:				
Interim Sewer	792.78	594.58	0.16	0.08
Park*	12,070.13	9,507.44	n/a	n/a
Supp. Offsite Water	1,149.07	861.51	0.36	0.42
Traffic Mitigation	8,843.10	4,954.85	10.02	14.51
Program Admin	404.44	240.41	0.37	0.56
Total Fees	\$23,259.52	\$16,158.79	\$10.91	\$15.57

* Park Development Fees vary by Development Agreement

COMMUNITY FACILITIES IMPACT FEES					
at June 30, 2023					
Fee Category	Residential		Non-Residential		
	Single Family	Multi-Family	Office	Commercial	Industrial
	Per Unit	Per Unit	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft
Community Facility Impact Fees:					
Community Facilities	3,967.14	3,099.76	0.99	0.60	0.25
Library	812.54	635.42	n/a	n/a	n/a
Total Fees	\$4,779.68	\$3,735.18	\$0.99	\$0.60	\$0.25

Traffic Mitigation Impact Fees		
at June 30, 2023		
	Infill Area	Growth Area
Residential ^[1]		
Single Family > 1,200 SF	12,265.40	20,263.15
Single Family < 1,200 SF	8,189.58	17,831.57
Multi-Family	6,502.13	11,549.73
Age Restricted - Single Family	3,679.51	6,079.47
Age Restricted - Multi Family	3,189.40	5,268.95
Non-Residential		
Commercial ^[2]	11.80	15.00
Office ^[2]	11.26	11.52
Industrial ^[2]	5.79	5.93
Miscellaneous		
Church ^[2]	4.17	6.89
Gasoline/Service Station ^[3]	13,001.09	21,479.47
Hotel/Motel ^[4]	3,801.78	6,281.84
Mobile Home Park ^[5]	5,642.06	9,321.58

1 - Per Dwelling Unit

4 - Per Room

2 - Per Square Foot

5 - Per Unit

3 - Per Position

VERY LOW INCOME HOUSING IMPACT FEES							
at June 30, 2023							
Fee Category	Residential	Non-Residential					
		Office	Hotel	Research & Development	Commercial	Manufacturing	Warehouse
		Per Sq. Ft	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft
Very Low Income Housing Impact Fee							
Impact Fee	n/a	0.97	0.92	0.82	0.77	0.61	0.26
Program Admin	n/a	Between \$30 and \$100 as determined by Plan Review					

SACRAMENTO REGIONAL TRANSIT (SacRT) IMPACT FEES							
at June 30, 2023							
Fee Category	Residential		Non-Residential				
	Single Family	Multi-Family	Commercial	Bus & Prof	Industrial	Office	
	Per Unit	Per Unit	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft	Per Sq. Ft	
Sacramento Regional Transit (SacRT) Fee							
Transit Development	175.00	356.00	0.77	0.70	0.16	0.45	
Program Admin	3.50	7.12	0.02	0.01	0.00	0.01	
Total Fees	\$178.50	\$363.12	\$0.79	\$0.71	\$0.16	\$0.46	

STORM DRAINAGE IMPACT FEES					
at June 30, 2023					
Land Use	Percent Impervious	Construction Cost/Acre	Administrative Cost/Acre	Total Fee/Acre	
Commercial/Office/Retail ¹	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
Industrial	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
High Density Residential					
RMH	75%	\$ 26,390.47	\$ 1,056.21	\$ 27,447	
RD-30 ²	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
RD-25	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
RD-20	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
Medium Density Residential					
RD-15	70%	\$ 24,629.42	\$ 985.72	\$ 25,615	
RD-10	60%	\$ 21,111.54	\$ 844.76	\$ 21,956	
RD-7	50%	\$ 17,592.60	\$ 703.79	\$ 18,296	
RD-6	40%	\$ 14,074.71	\$ 562.82	\$ 14,638	
Low Density Residential					
RD-5	40%	\$ 14,074.71	\$ 562.82	\$ 14,638	
RD-4	38%	\$ 13,370.92	\$ 534.42	\$ 13,905	
RD-3	33%	\$ 11,436.29	\$ 456.57	\$ 11,893	
RD-2	28%	\$ 9,676.30	\$ 386.08	\$ 10,062	
RD-1	25%	\$ 8,796.82	\$ 352.42	\$ 9,149	
AR-1	17%	\$ 5,981.67	\$ 238.80	\$ 6,220	
AR-2	10%	\$ 3,517.89	\$ 140.97	\$ 3,659	
AR-5	10%	\$ 3,517.89	\$ 140.97	\$ 3,659	
AR-10	10%	\$ 3,517.89	\$ 140.97	\$ 3,659	
Mowed grass with graded and piped to drain	20%	\$ 7,036.83	\$ 281.94	\$ 7,319	
Mowed grass with no piped drainage	10%	\$ 3,517.89	\$ 140.97	\$ 3,659	
Impervious Area Park ²	75%	\$ 26,390.47	\$ 1,056.21	\$ 27,447	
School Campus with detention	25%	\$ 8,796.82	\$ 352.42	\$ 9,149	
School Campus	50%	\$ 17,592.60	\$ 703.79	\$ 18,296	

MEASURE A IMPACT FEES		
at June 30, 2023		
Land Use	Per	Fee
Single Family Residential	Unit	\$ 1,429
Single Family Residential, Senior	Unit	1,144
Multi-Family Residential	Unit	1,000
Multi-Family Residential, Senior	Unit	856
Office Use	1,000 Sq. Ft	1,717
Retail Use	1,000 Sq. Ft	2,146
Industrial Use	1,000 Sq. Ft	1,144
Hotel/Motel	Sleeping Room	828
Extended Stay Hotel/Motel	Sleeping Room	736
Golf Course	acre	1,190
Movie Theater	screen	2,720
Religious Center	1,000 Sq. Ft	1,330
Hospital	1,000 Sq. Ft	2,397
Service Station	fueling pump	1,860
Supermarket	1,000 Sq. Ft	2,146
Warehouse/Self-Storage	1,000 Sq. Ft	358
Assisted Living Facility	bed	412
Congregate Care	Unit	302
Child Day Care	student	658
Private School (K through 12)	student	372
Auto Repair/Body Shop	1,000 Sq. Ft	2,146
Gym/Fitness Center	1,000 Sq. Ft	2,146
Drive-through Car Wash	1,000 Sq. Ft	2,146
All Other	avg. weekday trips	151

Financial Summary Report

Statement of Revenues, Expenditures and Changes in Fund Balance
For Year Ending June 30, 2023

Description	Community Facilities Fee Program		Sunrise Douglas	
	Community Facilities ⁽¹⁾	Library ⁽²⁾	Interim Sewer	Suppl Offsite Water
REVENUES				
Fees	2,260,042	478,638	341,300	2,184,755
Interest	202,051	142,893	5,683	6,394
Other Revenues	-	-	-	-
Total Revenues	<u>\$ 2,462,093</u>	<u>\$ 621,530</u>	<u>\$ 346,983</u>	<u>\$ 2,191,150</u>
EXPENDITURES				
Expenditures	909,732	17,949	623,685	2,490,296
Transfer Out	337,557	-	-	-
Total Expenditures	<u>\$ 1,247,288</u>	<u>\$ 17,949</u>	<u>\$ 623,685</u>	<u>\$ 2,490,296</u>
REVENUE OVER/(UNDER) EXPENDITURES	\$ 1,214,805	\$ 603,581	\$ (276,703)	\$ (299,146)
Fund Balance, Beginning of Year	7,599,620	5,504,502	\$ 140,731	152,928
Fund Balance, End of Year	\$ 8,814,425	\$ 6,108,083	\$ (135,971)	\$ (146,218)

Notes:

- (1) An Updated Nexus Study was adopted in April 2013 which combined facility fees which had been reported as separate line items in the prior nexus study into a single fee component called Community Facilities. For reporting purposes all activity reported in individual funds prior to the implementation of the combined fee have been consolidated for reporting purposes.
- (2) Council approved consolidation of the SD Library Fee, the Villages of Zinfandel Library Fee into the Community Facility Fee - Library Fee. For reporting purposes all activity reported in the individual library funds prior to the implementation of the consolidated library fee have all been reported in CFF - Library Fee

Financial Summary Report

Statement of Revenues, Expenditures and Changes in Fund Balance
For Year Ending June 30, 2023

Description	Sunrise Douglas Fee Program		Storm Drainage Impact Fee Prog.	
	Roadway	Program Admin	Storm Drain	Program Admin
REVENUES				
Fees	3,552,628	177,029	131,227	107,866
Interest	919,767	53,302	143,489	2,747
Other Revenues	-	-	-	-
Total Revenues	<u>\$ 4,472,394</u>	<u>\$ 230,331</u>	<u>\$ 274,716</u>	<u>\$ 110,613</u>
EXPENDITURES				
Expenditures	2,578,756	48,933	599,520	7,185
Transfer Out	-	-	-	-
Total Expenditures	<u>\$ 2,578,756</u>	<u>\$ 48,933</u>	<u>\$ 599,520</u>	<u>\$ 7,185</u>
REVENUE OVER/(UNDER) EXPENDITURES	\$ 1,893,638	\$ 181,397	\$ (324,804)	\$ 103,429
Fund Balance, Beginning of Year	\$ 36,038,238	\$ 2,075,040	\$ 5,805,728	\$ 56,425
Fund Balance, End of Year	\$ 37,931,876	\$ 2,256,438	\$ 5,480,923	\$ 159,854

Notes:

Financial Summary Report

Statement of Revenues, Expenditures and Changes in Fund Balance
For Year Ending June 30, 2023

Description	Traffic Mitigation Impact Fee ⁽³⁾	Measure A Transportation Improvements ⁽⁴⁾	Sacramento Regional Transit ⁽⁴⁾	Very Low Income Housing
REVENUES				
Fees	8,419,105	780,767	345,645	1,128,369
Interest	596,193	65,392	-	35,889
Other Revenues	-	-	-	-
Total Revenues	<u>\$ 9,015,298</u>	<u>\$ 846,159</u>	<u>\$ 345,645</u>	<u>\$ 1,164,259</u>
EXPENDITURES				
Expenditures	4,844,629	746,493	-	-
Transfer Out	-	-	-	-
Total Expenditures	<u>\$ 4,844,629</u>	<u>\$ 746,493</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUE OVER/(UNDER) EXPENDITURES	<u>\$ 4,170,669</u>	<u>\$ 99,666</u>	<u>\$ 345,645</u>	<u>\$ 1,164,259</u>
Fund Balance, Beginning of Year	21,710,352	\$ 2,548,311	\$ 591,390	\$ 939,858
Fund Balance, End of Year	\$ 25,881,021	\$ 2,647,977	\$ 937,035	\$ 2,104,117

Notes:

(4) These fees are collected on behalf of outside Agencies during the building permit process. These funds are then remitted to the Agencies who expend the funds on projects in accordance with their approved AB1600 studies. The City relies on information provided by the Agencies to complete the annual reporting requirements. The city does not audit the information provided by the outside Agencies.

Community Facility Fee (CFF) - Facilities

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	1,128,791	2,112,237	2,269,108	2,464,493	2,260,042
Interest	25,488	54,356	42,984	40,831	202,051
Other Revenues	-	-	-	-	-
Total Revenues	<u>1,154,279</u>	<u>2,166,593</u>	<u>2,312,091</u>	<u>2,505,324</u>	<u>2,462,093</u>
EXPENDITURES					
Expenditures	42,330	79,209	85,092	92,419	909,732
Transfer Out	337,480	337,120	337,275	337,376	337,557
Total Expenditures	<u>379,810</u>	<u>416,329</u>	<u>422,366</u>	<u>429,795</u>	<u>1,247,288</u>
REVENUES OVER (UNDER) EXPENDITURES	774,469	1,750,264	1,889,725	2,075,529	1,214,805
Fund Balance, Beginning of Year	1,109,632	1,884,101	3,634,365	5,524,091	7,599,620
Fund Balance, End of Year	<u>\$ 1,884,101</u>	<u>\$ 3,634,365</u>	<u>\$ 5,524,091</u>	<u>\$ 7,599,620</u>	<u>\$ 8,814,425</u>

Five Year Revenue Test Using First In First Out Method

Available Revenue	2017-18	2019-20	2020-21	2021-22	2022-23
Current Year	1,154,279	2,166,593	2,312,091	2,505,324	2,462,093
Prior Year (2-yr Old Funds)	729,822	1,154,279	2,166,593	2,312,091	2,505,324
Prior Year (3-yr Old Funds)	-	313,493	1,045,406	2,782,205	3,847,007
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	-	-
Total Revenues	<u>\$ 1,109,632</u>	<u>\$ 3,634,365</u>	<u>\$ 5,524,091</u>	<u>\$ 7,599,620</u>	<u>\$ 8,814,425</u>

Result: Five Year Revenue Test met in accordance with Government Code 66001

Community Facility Fee (CFF) - Library

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	243,439	309,257	428,804	496,369	478,638
Interest	73,113	81,168	45,710	33,491	142,893
Other Revenues	-	-	-	-	-
Total Revenues	316,552	390,425	474,514	529,860	621,530
EXPENDITURES					
Expenditures	9,129	11,597	16,080	18,614	17,949
Transfer Out	-	-	-	-	-
Total Expenditures	9,129	11,597	16,080	18,614	17,949
REVENUES OVER (UNDER) EXPENDITURES	307,423	378,828	458,434	511,246	603,581
Fund Balance, Beginning of Year	3,848,571	4,155,994	4,534,822	4,993,256	5,504,502
Fund Balance, End of Year	\$ 4,155,994	\$ 4,534,822	\$ 4,993,256	\$ 5,504,502	\$ 6,108,083

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	316,552	390,425	474,514	529,860	621,530
Prior Year (2-yr Old Funds)	200,773	316,552	390,425	474,514	529,860
Prior Year (3-yr Old Funds)	310,865	200,773	316,552	390,425	474,514
Prior Year (4-yr Old Funds)	289,430	310,865	200,773	316,552	390,425
Prior Year (5-yr Old Funds)	135,118 ⁽¹⁾	289,430 ⁽¹⁾	310,865 ⁽¹⁾	200,773 ⁽¹⁾	316,552 ⁽¹⁾
Greater than Five Prior Fiscal Years	2,903,256 ⁽¹⁾	3,026,777 ⁽¹⁾	3,300,127 ⁽¹⁾	3,592,378 ⁽¹⁾	3,775,201 ⁽¹⁾
Total Revenues	\$ 3,848,571	\$ 4,534,822	\$ 4,993,256	\$ 5,504,502	\$ 6,108,083

(1) The Community Facility Fees - Library Fund reports funds being held beyond the five-years as described by AB1600. These funds are being collected for a future construction of Library Branch(es) and therefore must be retained until enough fees have been collected to start construction of the project.

Result: Five Year Findings required in accordance with Government Code 66001 to be approved as part of current year report.

Sunrise Douglas (SD) - Interim Sewer

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	290,308	1,137,414	1,056,840	427,334	341,300
Interest	3,285	2,946	1,093	731	5,683
Total Revenues	<u>293,593</u>	<u>1,140,360</u>	<u>1,057,933</u>	<u>428,065</u>	<u>346,983</u>
EXPENDITURES					
Expenditures	298,958	1,112,598	1,168,263	371,240	623,685
Transfer Out	-	-	-	-	-
Total Expenditures	<u>298,958</u>	<u>1,112,598</u>	<u>1,168,263</u>	<u>371,240</u>	<u>623,685</u>
REVENUES OVER (UNDER) EXPENDITURES	(5,365)	27,763	(110,330)	56,825	(276,703)
Fund Balance, Beginning of Year	171,838	166,473	194,236	83,906	140,731
Fund Balance, End of Year	<u>\$ 166,473</u>	<u>\$ 194,236</u>	<u>\$ 83,906</u>	<u>\$ 140,731</u>	<u>\$ (135,971)</u>

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	166,474	194,236	83,906	140,731	(135,971)
Prior Year (2-yr Old Funds)	-	-	-	-	-
Prior Year (3-yr Old Funds)	-	-	-	-	-
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	-	-
Total Revenues	<u>\$ 171,838</u>	<u>\$ 194,236</u>	<u>\$ 83,906</u>	<u>\$ 140,731</u>	<u>\$ (135,971)</u>

Result: Five Year Revenue Test met in accordance with Government Code 66001

Sunrise Douglas (SD) - Supplemental Offsite Water

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	426,962	513,957	1,638,485	707,455	2,184,755
Interest	2,958	1,610	1,430	770	6,394
Other Revenues	-	-	-	-	-
Total Revenues	429,920	515,566	1,639,915	708,226	2,191,150
EXPENDITURES					
Expenditures	392,013	585,776	1,674,815	639,317	2,490,296
Transfer Out	-	-	-	-	-
Total Expenditures	392,013	585,776	1,674,815	639,317	2,490,296
REVENUES OVER (UNDER) EXPENDITURES	37,908	(70,210)	(34,900)	68,909	(299,146)
Fund Balance, Beginning of Year	151,221	189,129	118,919	84,020	152,928
Fund Balance, End of Year	189,129	118,919	\$ 84,020	\$ 152,928	\$ (146,218)

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	189,127	118,919	84,020	152,928	(146,218)
Prior Year (2-yr Old Funds)	-	-	-	-	-
Prior Year (3-yr Old Funds)	-	-	-	-	-
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	-	-
Total Revenues	\$ 151,219	\$ 118,919	\$ 84,020	\$ 152,928	\$ (146,218)

Result: Five Year Revenue Test met in accordance with Government Code 66001

Sunrise Douglas (SD) - Roadway

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	4,157,115	7,794,321	8,308,575	5,422,457	3,552,628
Interest	366,059	426,346	274,564	217,342	919,767
Other Revenues	-	-	-	-	-
Total Revenues	4,523,173	8,220,668	8,583,140	5,639,798	4,472,394
EXPENDITURES					
Expenditures	3,336,761	3,456,292	1,977,626	1,738,409	2,578,756
Transfer Out	-	-	-	-	-
Total Expenditures	3,336,761	3,456,292	1,977,626	1,738,409	2,578,756
REVENUES OVER (UNDER) EXPENDITURES	1,186,412	4,764,376	6,605,514	3,901,390	1,893,638
Fund Balance, Beginning of Year	19,580,547	20,766,959	25,531,335	32,136,849	36,038,238
Fund Balance, End of Year	\$ 20,766,959	\$ 25,531,335	\$ 32,136,849	\$ 36,038,238	\$ 37,931,876

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	4,906,434	8,220,668	8,583,140	5,639,798	4,472,394
Prior Year (2-yr Old Funds)	2,517,915	4,906,434	8,220,668	8,583,140	5,639,798
Prior Year (3-yr Old Funds)	4,111,280	2,517,915	4,906,434	8,220,668	8,583,140
Prior Year (4-yr Old Funds)	3,057,146	4,111,280	2,517,915	4,906,434	8,220,668
Prior Year (5-yr Old Funds)	1,781,651 ⁽¹⁾	3,057,146 ⁽¹⁾	4,111,280 ⁽¹⁾	2,517,915 ⁽¹⁾	4,906,434 ⁽¹⁾
Greater than Five Prior Fiscal Years	4,775,794	2,717,893	3,797,413	6,170,284 ⁽¹⁾	6,109,442 ⁽¹⁾
Total Revenues	\$ 21,150,220	\$ 25,531,335	\$ 28,339,435	\$ 36,038,238	\$ 37,931,876

(1) The Sunrise Douglas Park Fund reports funds being held beyond the five-years as described by AB1600. These funds are being collected for the future roadway improvements necessary to serve the growing population within the Sunrise Douglas Community Plan Area and therefor must be retained until enough fees have been collected to start construction of the various roadway projects.

Result: Five Year Findings required in accordance with Government Code 66001 to be approved as part of current year report.

Sunrise Douglas (SD) - Administration

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	195,348	357,436	370,841	234,248	177,029
Interest	17,445	23,084	13,916	12,474	53,302
Other Revenues	-	-	264,981	-	-
Total Revenues	212,792	380,521	649,738	246,722	230,331
EXPENDITURES					
Expenditures	30,804	143,029	87,338	32,411	48,933
Transfer Out	-	-	-	-	-
Total Expenditures	30,804	143,029	87,338	32,411	48,933
REVENUES OVER (UNDER) EXPENDITURES	181,988	237,492	562,400	214,311	181,397
Fund Balance, Beginning of Year	878,849	1,060,838	1,298,329	1,860,729	2,075,040
Fund Balance, End of Year	1,060,838	\$ 1,298,329	\$ 1,860,729	\$ 2,075,040	\$ 2,256,438

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	212,792	380,521	649,738	246,722	230,331
Prior Year (2-yr Old Funds)	111,348	212,792	380,521	649,738	246,722
Prior Year (3-yr Old Funds)	130,424	111,348	212,792	380,521	649,738
Prior Year (4-yr Old Funds)	144,028	130,424	111,348	212,792	380,521
Prior Year (5-yr Old Funds)	95,312 ⁽¹⁾	144,028 ⁽¹⁾	130,424 ⁽¹⁾	111,348 ⁽¹⁾	212,792 ⁽¹⁾
Greater than Five Prior Fiscal Years	366,933 ⁽¹⁾	319,216 ⁽¹⁾	375,906 ⁽¹⁾	473,919 ⁽¹⁾	536,334 ⁽¹⁾
Total Revenues	\$ 917,875	\$ 1,298,329	\$ 1,860,729	\$ 2,075,040	\$ 2,256,438

(1) The Sunrise Douglas Program Admin Fund reports funds being held beyond the five-years as described by AB1600. These funds are being collected for the ongoing administrative cost and therefor must be retained for future cost.

Result: Five Year Findings required in accordance with Government Code 66001 to be approved as part of current year report.

Traffic Mitigation Impact Fee

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2021-22
REVENUES					
Fees	1,669,234	2,291,789	2,438,640	6,659,774	8,419,105
Interest	400,159	369,215	162,169	126,258	596,193
Other Revenues	-	39,037	1,047,841	-	-
Total Revenues	2,069,393	2,700,041	3,648,650	6,786,032	9,015,298
EXPENDITURES					
Expenditures	1,910,560	8,389,095	2,133,479	2,773,678	4,844,629
Transfer Out	-	-	-	-	-
Total Expenditures	1,910,560	8,389,095	2,133,479	2,773,678	4,844,629
REVENUES OVER (UNDER) EXPENDITURES	158,833	(5,689,054)	1,515,170	4,012,354	4,170,669
Fund Balance, Beginning of Year	21,713,048	21,871,881	16,182,827	17,697,997	21,710,352
Fund Balance, End of Year	\$ 21,871,881	\$ 16,182,827	\$ 17,697,997	\$ 21,710,352	\$ 25,881,021

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2021-22
Current Year	2,174,563	2,700,041	3,648,650	6,786,032	9,015,298
Prior Year (2-yr Old Funds)	1,628,008	2,174,563	2,700,041	3,648,650	6,786,032
Prior Year (3-yr Old Funds)	4,063,390	1,628,008	2,174,563	2,700,041	3,648,650
Prior Year (4-yr Old Funds)	2,880,535	4,063,390	1,628,008	2,174,563	2,700,041
Prior Year (5-yr Old Funds)	1,144,114 ⁽¹⁾	2,880,535 ⁽¹⁾	4,063,390 ⁽¹⁾	1,628,008 ⁽¹⁾	2,174,563 ⁽¹⁾
Greater than Five Prior Fiscal Years	9,981,272 ⁽¹⁾	2,736,291 ⁽¹⁾	3,483,348 ⁽¹⁾	4,773,059 ⁽¹⁾	1,556,438 ⁽¹⁾
Total Revenues	\$ 21,871,881	\$ 16,182,827	\$ 17,697,997	\$ 21,710,352	\$ 25,881,021

(1) The Traffic Mitigation Fund reports funds being held beyond the five-years as described by AB1600. While projects are being completed on an annual basis, this fund is accumulation funds for the development and construction of a new interchange, a multi-million dollar project which is not expected to start construction in the next five year CIP funding cycle, therefor the funds must be retained until a funding level that allows construction to start has been reached.

Result: Five Year Findings required in accordance with Government Code 66001 to be approved as part of current year report.

Storm Drainage Impact Fee Program - Facilities

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21 (1)	2021-22 (1)	2022-23 ⁽¹⁾
REVENUES					
Fees	-	-	3,874,399	1,899,862	131,227
Interest	-	-	3,376	28,091	143,489
Other Revenues	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>3,877,775</u>	<u>1,927,953</u>	<u>274,716</u>
EXPENDITURES					
Expenditures	-	-	-	-	599,520
Transfer Out	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,520</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	3,877,775	1,927,953	(324,804)
Fund Balance, Beginning of Year	-	-	-	3,877,775	5,805,728
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,877,775</u>	<u>\$ 5,805,728</u>	<u>\$ 5,480,923</u>

Five Year Revenue Test Using First In First Out Method

Available Revenue	2017-18	2018-19	2020-21 (1)	2021-22 (1)	2022-23 (1)
Current Year	-	-	3,877,775	1,927,953	274,716
Prior Year (2-yr Old Funds)	-	-	-	-	-
Prior Year (3-yr Old Funds)	-	-	-	-	-
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	3,877,775	5,206,207
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,877,775</u>	<u>\$ 5,805,728</u>	<u>\$ 5,480,923</u>

(1) The Storm Drainage Impact Fee Program was implemented in FY 2020-21 and does not have 5 years worth of data to report at this time.

Storm Drainage Impact Fee Program - Administration

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21 (1)	2021-22 (1)	2022-23 ⁽¹⁾
REVENUES					
Fees	-	-	11,590	79,161	107,866
Interest	-	-	4	151	2,747
Other Revenues	-	-	-	-	-
Total Revenues	-	-	11,595	79,312	110,613
EXPENDITURES					
Expenditures	-	-	139	34,342	7,185
Transfer Out	-	-	-	-	-
Total Expenditures	-	-	139	34,342	7,185
REVENUES OVER (UNDER) EXPENDITURES	-	-	11,455	44,969	103,429
Fund Balance, Beginning of Year	-	-	-	11,455	56,425
Fund Balance, End of Year	-	-	11,455	\$ 56,425	\$ 159,854

Five Year Revenue Test Using First In First Out Method

Available Revenue	2017-18	2018-19	2020-21 (1)	2021-22 (1)	2022-23 (1)
Current Year	-	-	11,455	56,425	159,854
Prior Year (2-yr Old Funds)	-	-	-	-	11,455
Prior Year (3-yr Old Funds)	-	-	-	-	-
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	-	(11,455)
Total Revenues	\$ -	\$ -	\$ 11,455	\$ 56,425	\$ 159,854

(1) The Storm Drainage Impact Fee Program was implemented in FY 2020-21 and does not have 5 years worth of data to report at this time.

Measure A Impact Fee

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	1,797,731	1,806,431	1,448,744	2,846,759	780,767
Interest	27,108	28,094	18,691	15,306	65,392
Other Revenues	-	-	-	-	-
Total Revenues	1,824,839	1,834,525	1,467,435	2,862,065	846,159
EXPENDITURES					
Expenditures	2,346,404	1,951,497	2,457,075	465,526	746,493
Transfer Out	-	-	-	-	-
Total Expenditures	2,346,404	1,951,497	2,457,075	465,526	746,493
REVENUES OVER (UNDER) EXPENDITURES	(521,565)	(116,972)	(989,640)	2,396,539	99,666
Fund Balance, Beginning of Year	1,715,144	1,193,579	1,076,607	151,772	2,548,311
Fund Balance, End of Year	\$ 1,193,579	\$ 1,076,607	\$ 86,967	\$ 2,548,311	\$ 2,647,977

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	1,193,579	1,076,607	86,967	2,548,311	846,159
Prior Year (2-yr Old Funds)	-	-	-	-	1,801,818
Prior Year (3-yr Old Funds)	-	-	-	-	-
Prior Year (4-yr Old Funds)	-	-	-	-	-
Prior Year (5-yr Old Funds)	-	-	-	-	-
Greater than Five Prior Fiscal Years	-	-	-	-	-
Total Revenues	\$ 817,132	\$ 2,199	\$ (987,441)	\$ 1,409,098	\$ 2,647,977

(1) The Measure A Transportation Improvements reports funds being held beyond the five-years as described by AB1600. These funds are being collected for the ongoing project cost and therefor must be retained for future cost.

Result: Five Year Revenue Test met in accordance with Government Code 66001

Sacramento Regional Transit Impact Fee

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	85,978	194,011	144,149	159,551	345,645
Interest	-	-	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	85,978	194,011	144,149	159,551	345,645
EXPENDITURES					
Expenditures	-	-	-	-	-
Transfer Out	-	-	-	-	-
Total Expenditures	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	85,978	194,011	144,149	159,551	345,645
Fund Balance, Beginning of Year	7,700	93,678	287,690	431,839	591,390
Fund Balance, End of Year	\$ 93,678	\$ 287,690	\$ 431,839	\$ 591,390	\$ 937,035

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	85,978	194,011	144,149	159,551	345,645
Prior Year (2-yr Old Funds)	7,700	85,978	194,011	144,149	159,551
Prior Year (3-yr Old Funds)	-	7,700	85,978	194,011	144,149
Prior Year (4-yr Old Funds)	-	-	7,700	85,978	194,011
Prior Year (5-yr Old Funds)	-	-	-	7,700	85,978
Greater than Five Prior Fiscal Years	-	-	-	-	7,700
Total Revenues	\$ 93,678	\$ 287,690	\$ 431,839	\$ 591,390	\$ 937,035

Result: Five Year Revenue Test met in accordance with Government Code 66001

Low Income Housing Impact Fee

Statement of Revenues, Expenditures and Changes in Fund Balance
For Last Five Fiscal Years

Description	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES					
Fees	51,003	117,936	35,498	680,720	1,128,369
Interest	523	1,775	2,329	3,030	35,889
Other Revenues	175,000	50,000	-	-	-
Total Revenues	226,526	169,711	37,826	683,751	1,164,259
EXPENDITURES					
Expenditures	175,000	-	-	-	-
Transfer Out	-	-	-	-	-
Total Expenditures	175,000	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	51,526	169,711	37,826	683,751	1,164,259
Fund Balance, Beginning of Year	(2,956)	48,570	218,281	256,107	939,858
Fund Balance, End of Year	\$ 48,570	\$ 218,281	\$ 256,107	\$ 939,858	\$ 2,104,117

Five Year Revenue Test Using First In First Out Method

Available Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
Current Year	48,570	169,711	37,826	683,751	1,164,259
Prior Year (2-yr Old Funds)	-	48,570	169,711	37,826	683,751
Prior Year (3-yr Old Funds)	-	-	48,570	169,711	37,826
Prior Year (4-yr Old Funds)	-	-	-	48,570	169,711
Prior Year (5-yr Old Funds)	-	-	-	-	48,570
Greater than Five Prior Fiscal Years	-	-	-	-	-
Total Revenues	\$ 48,570	\$ 218,281	\$ 256,107	\$ 939,858	\$ 2,104,117

Result: Five Year Revenue Test met in accordance with Government Code 66001

Notes to the Annual Development Impact Fee Report

The Notes address two items required by California Government Code Section 66006(b). Notes 1-3 provides information on any interfund transfer or loans made from a development fee account or fund, including the public improvement on which the transferred or loaned fee will be expended. In the case of an interfund loan, the date on which the loan will be repaid and the rate of interest the account or fund will receive on the loan is also provided. Note 4 provides information on the amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

NOTE #1 – 2017 SERIES A & B REFUNDING CERTIFICATES OF PARTICIPATION

On January 25, 2017 \$11,925,000 and \$4,470,000 in Refunding Certificated of Participation (COP's) were issued by the Rancho Cordova Finance Corporation (the "Corporation") to refund both the 2005 & 2007 Certificates of Participations, which were issued for City Hall Facility Acquisition and City Operations. Principal payments of \$190,000 to \$1,235,000 are due annually on February 1st through February 1, 2035. Concurrently, the City entered into a facilities lease agreement with the Corporation for the use and occupancy of the facilities. The lease agreement requires the City to make rental payments to the Corporation equal to the Certificates of Participation's principal and interest payments.

The CFF - Community Facilities Fee is responsible for 62.5% of the principal and interest attributable to the tax-exempt COP's (2017 A). As of June 30, 2023, the CFF - Community Facilities Fee gross repayment obligation, including interest, totaled \$9,745,506. During FY 2022-23 the CFF - Community Facilities Fee made payments totaling \$337,376, including bank fees.

Future payments on these COP's are as follows:

Long Term Debt Obligation			
at June 30, 2023			
For the Year Ending June 30	2017 Series A & B CFF - Community Facilities Obligation		
	Principal	Interest	Total
2024	368,750	336,780	705,530
2025	506,250	322,030	828,280
2026	531,250	296,717	827,967
2027	556,250	270,155	826,405
2028	584,375	242,342	826,717
2029-2033	3,390,625	742,648	4,133,273
2034-2035	1,515,625	81,709	1,597,334
Total Payments Due	7,453,125	2,292,381	9,745,506

NOTE #2 – DEFERRED IMPACT FEES

In May 2008, the City enacted a Temporary Fee Deferral Program for certain development impact fees. This program allows residential and non-residential developers to defer eligible impact fees normally paid at the time of building permit issuance to the earlier of final inspection, issuance of temporary or final certificate of occupancy, or one-year from the date the fee deferral application was approved. Although originally set to expire after one year, through various Council actions, the program has been modified to remove the sunset date.

Developer impact fees deferred at June 30, 2023 are as follows:

DEVELOPMENT IMPACT FEE DEFERRALS			
at June 30, 2023			
Fee Program	Residential		Non-Residential
	Single Family	Multi-Family	All Types
Community Facility Fee - Library	10,762.08	-	-
SD Interim Sewer Impact Fee	10,550.26		
SD Supplemental Offsite Water Fee	7,645.89		
SD Traffic Mitigation Fee	26,723.82		
Transportation Impact Fee	2,787,612.98		
Total Fees Deferred	\$ 2,843,295.03	\$ -	\$ -

NOTE #3 – REFUNDS PAYABLE *As defined by California Government Code Section 66006 (b)*

When the City no longer needs the funds for the purposed collected, or if the City fails to make required findings or perform certain administrative tasks prescribed by AB1600, the City may be required to refund, on a prorated basis, to property owners of the properties upon which the fees for the improvement were imposed, the monies collected for that project and any interest earned on those funds.

At this time, all fees being collected pursuant to the Development Impact Fee Program(s) have been earmarked for current or future capital projects necessary to maintain the current levels of service within existing services area to serve new development.

Development Fee Project Identification - *California Government Code Section 66006 and 66001 require the City to make certain findings and meet reporting requirements on the use of development fees.*

The following table, on pages 28-30, illustrates several of the reporting requirements defined in the Legal Requirement section on pages 1-3.

- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- Identify the purpose to which the fee is to be put.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

Most of the current projects including all funding sources and approximate dates on funding can be found in the 2020/21 - 2024/25 Capital Improvement Program (CIP). Some projects identified as "Future" in the Project Phase column will not be identified in the CIP but will be found in the corresponding Development Fee Program instead.

Information regarding completed projects which received full or partial funding from development impact fees can be obtained by contacting the Finance Department.

ITEM 9.4.

City of Rancho Cordova

Exhibit A to the Resolution

Development Fee Program Identification - Active & Future Projects

						Development Impact Fees		
Project Number	Current Project(s)	Project Phase ⁽¹⁾	Estimated Start Date	Completion Date	Estimated Project Cost	Budget to Date ⁽²⁾	Funding to Date ⁽²⁾	Attrib. to New Dev
Community Facility Fee - Community Facilities								
80075	Administrative Duties associated with Community Facilities Fee Program (inc. updates)	Admin	2004	Post 2023-24	n/a	1,231,170	1,231,170	100%
	Animal Control Vehicles	Future	Post 2022-23	Post 2023-24	106,000	-	-	63%
	City Hall Cost	Future	Post 2022-23	Post 2023-24	53,856,000	-	-	63%
	Suite 220 Renovation	Construction	2023	2023	1,000,000	1,000,000	822,980	100%
	Community Center	Future	Post 2022-23	Post 2023-24	46,834,000	-	-	63%
	Corporation Yard	Future	Post 2022-23	Post 2023-24	26,291,000	-	1,026,842	63%
	Debt Service Payment(s) - Refunding COPS 2017 A&B	Debt Service	2017	2035	23,750,647	14,844,155	2,006,846	63%
	Hansen Computer System	Future	Post 2022-23	Post 2023-24	1,310,000	-	-	63%
	Museum	Future	Post 2022-23	Post 2023-24	19,993,000	-	-	63%
	Parking Structure	Future	Post 2022-23	Post 2023-24	16,571,000	-	-	63%
	Police Facilities	Future	Post 2022-23	Post 2023-24	56,085,000	-	-	63%
	Police Vehicles & Equipment	Future	Post 2022-23	Post 2023-24	4,172,000	-	-	63%
Total Community Facility Fee - Community Facilities					\$ 249,968,647	\$ 17,075,325	\$ 5,087,839	
Community Facility Fee - Library								
	Administrative Duties	Admin	2004	Post 2023-24	n/a	106,502	106,502	100%
	Regional Library Facility	Future	Post 2022-23	Post 2023-24	43,858,000	-	-	79%
Total Community Facility Fee - Library					\$ 43,858,000	\$ 106,502	\$ 106,502	
Sunrise Douglas - Interim Sewer								
80025	Chrysanthy Blvd Lift Station	Future	Post 2022-23	Post 2023-24	1,466,569	-	-	16%
	Chrysanthy Blvd Trunk Sewer	Future	Post 2022-23	Post 2023-24	1,506,556	-	-	28%
	Douglas Blvd Lift Station	Construction	2016	2017	1,730,000	1,730,000	531,238	100%
	Douglas Blvd Lift Station	Reimb/Credit	2017	N/A	1,573,034	1,573,034	843,895	100%
	Folsom South Canal Crossing: Sewer Costs	Future	Post 2022-23	Post 2023-24	1,545,991	-	-	19%
	Sewer Forcemain: Chrysanthy Blvd Lift Station to Mayhew Road Outfall	Future	Post 2022-23	Post 2023-24	5,802,192	-	-	17%
	Sewer Forcemain: Douglas Lift station to Chrysanthy Blvd	Reimb/Credit	2003	N/A	660,607	660,607	501,929	100%
	Sewer Studies	Future	Post 2022-23	Post 2023-24	30,000	-	-	100%
Total Sunrise Douglas - Interim Sewer					\$ 14,314,949	\$ 3,963,641	\$ 1,877,061	
Sunrise Douglas - Suppl Offsite Water								
	Folsom South Canal Crossing: Water Costs	Future	Post 2022-23	Post 2023-24	1,566,583	-	-	18%
	North Douglas Tank Site Land	Reimb/Credit	2003	2007	1,386,000	969,000	1,045,833	100%
	Vineyard Wells 4-7	Future	Post 2022-23	Post 2023-24	3,520,000	-	-	10%
Total Sunrise Douglas - Suppl Offsite Water					\$ 6,472,583	\$ 969,000	\$ 1,045,833	
Sunrise Douglas - Roadway								
80008	Americanos Blvd, Douglas Rd to Chrysanthy Blvd	Construction	2008	Post 2023-24	3,052,000	3,052,000	488,482	100%
80000	Rancho Cordova Parkway Interchange	Environmental	2005	Post 2023-24	100,000,000	500,000	1,461,874	100%
80001	Americanos Blvd Phase II, Chrysanthy Blvd to Kiefer Blvd	Future	Post 2022-23	Post 2023-24	3,423,000	3,326,000	-	97%
	Chrysanthy Blvd, Sunrise Blvd to Rancho Cordova Pkwy	Construction	2006	2019	3,762,000	3,334,000	3,372,883	89%
	Chrysanthy Blvd Phase II, Rancho Cordova Pkwy to Grant Line Rd	Future	Post 2022-23	Post 2023-24	10,431,000	10,431,000	-	100%
80002	Douglas Road Phase I, Rancho Cordova Pkwy to Borderlands Dr	Reimb/Credit	2006	2015	2,146,000	2,146,000	2,434,196	100%
80004	Douglas Road, Americanos Blvd to Grant Line Rd	Planned	Post 2022-23	Post 2023-24	6,585,000	4,961,000	2,639,051	75%
80015	Douglas Road, Rancho Cordova Pkwy to Americanos Blvd	Construction	2010	2018	8,200,000	8,200,000	4,270,884	100%
80012	Kiefer Blvd Phase II, Sunrise Blvd to Grant Line Rd	Planned	Post 2022-23	Post 2023-24	9,332,000	10,000	78	0%
80006	Kiefer Blvd, Sunrise Blvd to Jaeger Road	Reimb/Credit	2007	Post 2023-24	7,510,626	4,026,526	4,026,526	86%
80005	Rancho Cordova Parkway, Douglas Rd to Kiefer Blvd	Reimb/Credit	2006	Post 2023-24	11,857,800	11,228,500	4,315,238	95%
80017	Sunrise Blvd Widening and Intersection Improvements, Keifer Blvd to State Rte. 16	Preliminary	2011	2020	13,000,000	1,231,000	195,007	9%

ITEM 9.4.

City of Rancho Cordova

Exhibit A to the Resolution

Development Fee Program Identification - Active & Future Projects

						Development Impact Fees		
Project Number	Current Project(s)	Project Phase ⁽¹⁾	Estimated Start Date	Completion Date	Estimated Project Cost	Budget to Date ⁽²⁾	Funding to Date ⁽²⁾	Attrib. to New Dev
Sunrise Douglas - Roadway - Continued								
80003	Sunrise Blvd, Douglas Rd to Kiefer Blvd	Reimb/Credit	2006	Post 2023-24	16,334,786	16,185,435	16,185,435	92%
80076	Frontage Improvements - Sunrise & Douglas	Reimb/Credit	2022	Post 2023-24	430,352	430,352	430,352	100%
Total Sunrise Douglas - Roadway					\$ 92,582,213	\$ 65,079,461	\$ 39,820,007	
Sunrise Douglas - Admin								
Administrative Duties associated with the Sunrise Douglas Fee Program		Admin	2004	Post 2023-24	n/a	1,783,832	1,783,832	100%
Total Sunrise Douglas - Admin					\$ -	\$ 1,783,832	\$ 1,783,832	
Traffic Mitigation - Impact Fee								
	Americanos Blvd Phase II, Chrysanthy Blvd to Kiefer Blvd	Future	Post 2022-23	Post 2023-24	3,423,000	97,000	-	3%
	Americanos Blvd Phase III, International Dr to Douglas Rd	Future	Post 2022-23	Post 2023-24	9,247,000	9,247,000	-	100%
	Centennial Drive, International Drive to Grant Line Road	Future	Post 2022-23	Post 2023-24	10,348,000	10,348,000	-	100%
80004	Douglas Road, Americanos Blvd to Grant Line Rd	Planned	Post 2022-23	Post 2023-24	6,585,000	1,586,000	150,001	24%
80018	Douglas Road - Sunrise to Wst City Boundary	Preliminary	2013	Post 2023-24	16,512,000	62,000	75,614	0%
80016	Easton Valley Parkway (6th Ave), Sunrise Blvd to City Limits	Planned	Post 2022-23	Post 2023-24	10,192,000	10,192,000	-	100%
80010	International Drive, Sunrise Blvd to Rancho Cordova Pkwy Loop	Planned	Post 2022-23	Post 2023-24	46,700,000	46,700,000	342,761	100%
80012	Kiefer Blvd Phase II, Sunrise Blvd to Grant Line Rd	Planned	Post 2022-23	Post 2023-24	9,332,000	9,322,000	-	100%
80006	Kiefer Blvd, Sunrise Blvd to Jaeger Road	Reimb/Credit	2007	Post 2023-24	7,510,626	2,643,695	2,643,695	86%
80005	Rancho Cordova Parkway, Douglas Rd to Kiefer Blvd	Reimb/Credit	2006	Post 2023-24	11,857,800	629,300	-	5%
80000	Rancho Cordova Parkway Interchange	Environmental	2005	Post 2023-24	100,000,000	8,082,000	6,841,343	8%
	Rancho Cordova Parkway South, Kiefer Blvd to Grant Line Rd	Future	Post 2022-23	Post 2023-24	3,876,000	3,876,000	-	100%
80011	Rio Del Oro Parkway, Sunrise Blvd to White Rock Rd	Planned	Post 2022-23	Post 2023-24	12,024,000	12,024,000	-	100%
80017	Sunrise Blvd Widening and Intersection Improvements, Keifer Blvd to State Rte. 16	Preliminary	2011	2020	13,000,000	47,000	534,929	1%
	Villagio, Douglas Rd to White Rock Rd	Future	Post 2022-23	Post 2023-24	2,608,000	2,608,000	-	100%
80020	White Rock Road and Gold Valley Dr Signal and Intersection Improvements	Design	2014	2018	900,000	350,000	342,062	39%
80007	White Rock Road Improvements Phase I, Sunrise to Rancho Cordova Pkwy	Design	2007	Post 2023-24	18,366,000	6,987,000	4,046,148	38%
80019	Zinfandel Complex Phase I Feasibility Study	Construction	2013	2020	12,585,000	8,147,000	8,362,420	65%
80033	Zinfandel Pedestrian & Bicycle Crossing	Design	2020	Post 2023-24	3,815,000	219,000	177,899	6%
80040	Chrysanthy Boulevard Phase II	Reimb/Credit	2020	Post 2023-24	4,035,287	4,035,287	2,463,135	100%
80055	White Rock Road, 0.5 Mile East of Rancho Cordova Parkway to Easterly City Limits	Design	2022	2025-26	1,350,000	1,350,000	435,464	100%
45009	General Plan - Circulation Element Update	Admin	2021	2022	240,000	240,000	179,297	100%
Total Traffic Mitigation - Impact Fee					\$ 291,643,426	\$ 132,850,995	\$ 26,594,768	
Traffic Mitigation - Admin								
Administrative Duties associated with Traffic Mitigation Fee Program (including updates)		Admin	2004	Post 2023-24	n/a	715,550	715,550	100%
80009	Villages of Zinfandel Traffic Signals	Construction	2009	2019	1,411,000	11,000	2,244	1%
	PW Project Impact Fee Tracking	Planning	2021	2023	3,380,899	100,000	198,391	3%
Total Traffic Mitigation - Admin					\$ 1,411,000	\$ 826,550	\$ 916,185	
Storm Drain Impact Fee Program - Facilities								
80007	White Rock Road Improvements Phase I, Sunrise to Rancho Cordova Pkwy	Construction	2007	Post 2023-24	20,081,640	735,550	560,603	4%
80045	Monier Circle Flood Control Basin	Design	2021	Post 2023-24	6,658,238	1,000,000	38,918	15%
Total Storm Drain Impact Fee Program - Facilities					\$ 20,081,640	\$ 735,550	\$ 599,520	
Storm Drain Impact Fee Program - Admin								
45037	Storm Drain Admin Impact Fees	Planning	2022	2023	7,185	7,185	7,185	100%
Total Storm Drain - Admin					\$ -	\$ 7,185	\$ 7,185	

ITEM 9.4.

City of Rancho Cordova

Exhibit A to the Resolution

Development Fee Program Identification - Active & Future Projects

						Development Impact Fees		
Project Number	Current Project(s)	Project Phase ⁽¹⁾	Estimated Start Date	Completion Date	Estimated Project Cost	Budget to Date ⁽²⁾	Funding to Date ⁽²⁾	Attrib. to New Dev
Measure A - Transportation Improvements (Administered by Sacramento Transportation Administration)								
80001	Chrysanthy Blvd, Sunrise Blvd to Rancho Cordova Pkwy	Construction	2006	2019	3,762,000	356,000	-	9%
80032	Cordova School Zones	Planning	2020	Post 2023-24	315,000	315,000	302,191	100%
80031	Sunrise Boulevard & Folsom Boulevard	Construction	2020	Post 2023-24	165,000	60,000	44,357	36%
80038	2020 Sidewalk Program	Construction	2020	2021	460,561	50,000	50,000	11%
80022	2016/2017 NTMP Project	Planning	2015	2021-22	300,000	125,000	36,541	42%
80048	Chase Drive - American River Parkway Connection	Planning	2022	2022-23	938,000	788,000	258,773	84%
80050	2022 Sidewalk Improvement	Construction	2022	2021-22	501,000	100,000	37,346	20%
80052	Pedestrian Crossing Enhancement Project	Construction	2022	2023-24	555,000	192,600	183,416	35%
80065	Sidewalk Improvement Project - Phase 1	Construction	2023	2023-24	750,000	25,000	8,425	3%
Total Measure A - Transportation Improvements					\$ 7,746,561	\$ 2,011,600	\$ 921,048	
Sacramento Regional Transit Impact Fee								
	Horn Road LRT Station (City Allocation Only)	Planning	2018	Post 2023-24	250,000	250,000	-	100%
Total Sacramento Regional Transit Fee					\$ 250,000	\$ 250,000	\$ -	
Housing Trust Development Impact Fee								
	Administrative Duties associated with Housing Program	Admin	2007	Post 2023-24	n/a	142,316	142,316	100%
Total Housing Trust Development Impact Fee					\$ -	\$ 142,316	\$ 142,316	

MEMORANDUM



ITEM 9.5.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Russell Ducharme, Neighborhood Services Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2023-257 IN AN AMOUNT NOT TO EXCEED \$750,000 WITH THE SACRAMENTO SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SPCA) FOR ANIMAL SHELTER SERVICES FOR A TERM OF JANUARY 1, 2024, TO DECEMBER 31, 2025**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute a contract with the Sacramento Society for the Prevention of Cruelty to Animals (SPCA) in an amount not to exceed \$750,000 for a term of two years, starting January 1, 2024, and ending on December 31, 2025, for animal shelter services.

BACKGROUND

The purpose and goal of executing this contract is to continue providing animal shelter services from the SPCA in collaboration with the City of Rancho Cordova Animal Services Division.

For the past 18 years, the SPCA has been providing animal shelter services to the City which includes protective custody, quarantine, and other animal housing related services. The SPCA services are integral to the Animal Services Division's efforts to enforce City code regulations regarding pet licensing and rabies suppression.

Staff is satisfied with the level of service provided by the SPCA and wish to continue this partnership. Staff negotiated the proposed two-year term contract ([Attachment 2](#)) to ensure continuity of service.

City staff recommends executing the contract agreement with the SPCA in a form approved by the City Attorney to continue providing the residents of Rancho Cordova with a comprehensive Animal Services program.

FISCAL IMPACT AND FUNDING SOURCE

The new contract ensures that the same services are provided as in the past, which include low-cost vaccinations, low-cost spay and neuter programs along with animal sheltering services. The cost of the contract is not to exceed \$750,000 over a two-year term, and includes protective custody, animal quarantine, other animal housing related services, and SPCA software related costs. The City will attempt to recover costs imposed by the shelter by invoicing the owner of the animal as provided by law.

ATTACHMENT(S)

1. Resolution
2. Contract No. 2023-257

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2023-257 IN AN AMOUNT NOT TO EXCEED \$750,000 WITH THE SACRAMENTO SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SPCA) FOR A TERM OF JANUARY 1, 2024, TO DECEMBER 31, 2025, FOR ANIMAL SHELTER SERVICES

WHEREAS, since 2005, the City of Rancho Cordova ("City") has partnered with the Sacramento Society of the Prevention of Cruelty to Animals (SPCA) to provide animal shelter services to the City of Rancho Cordova's Animal Services Division and the City's residents; and

WHEREAS, the City is satisfied with the services provided by SPCA for the past 18 years and wishes to have SPCA continue providing animal shelter services to the City and its residents; and

WHEREAS, the City and the SPCA have negotiated a new two-year contract for SPCA to continue to provide these services to the City, and the cost of the agreement shall not exceed \$750,000 over the two-year term of the contract.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager or his designee to execute Contract No. 2023-257 in an amount not to exceed \$750,000 with the Sacramento Society for the Prevention of Cruelty to Animals (SPCA) for a term of January 1, 2024, to December 31, 2025, for animal shelter services.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

**CONTRACT BETWEEN THE CITY OF RANCHO CORDOVA AND THE
SACRAMENTO SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(SPCA) FOR SHELTER SERVICES**

THIS CONTRACT is made on December 4th, 2023, by and between the City of Rancho Cordova, a municipal corporation (the “CITY”) and the Sacramento Society for the Prevention of the Cruelty of Animals, a California corporation (the “SHELTER”), collectively referred to as the “Parties.”

ARTICLE ONE – DEFINITIONS

The Parties agree that the following definitions shall apply to this Contract:

Section 1.01 “**Contract**” shall mean the enforceable CONTRACT between the parties to perform a service in consideration for specified compensation.

Section 1.02 “**Animals**” shall mean domestic animals such as dogs, cats and domesticated rabbits, non-indigenous reptiles and shall exclude birds, fowls and livestock as defined herein.

Section 1.03 “**Annual Payment**” shall mean the annual amount CITY pays SHELTER for SHELTER’s services calculated pursuant to the terms of this Contract.

Section 1.04 “**Birds**” and “**Fowls**” shall be defined as an Animal belonging to the class of Aves including members of the parrot family and all game birds, including but not limited to dove, quail, duck, goose, pigeon, cardinal, blue jay, robin, sparrow, blackbird and crow.

Section 1.05 “**CITY**” shall mean the City of Rancho Cordova, a California municipal corporation.

Section 1.06 “**CITY Ordinance**” shall refer to Title 8 of the Rancho Cordova Municipal Code as same may, from time to time be amended.

Section 1.07 “**CITY Licensing Program**” shall mean the CITY program of licensing dogs and cats in accordance with Rancho Cordova Municipal Code section 8.06 and California Food and Agriculture Code section 30501.

Section 1.08 “**Community Cat**” means a cat which is known to live in the community without the benefit of an owner.

Section 1.09 “**Contract Fees**” shall mean the monthly agreed price per Contract year for services rendered by SHELTER to CITY pursuant to this Contract. This rate shall be calculated by dividing the Annual Payment by the number of months (12) within the current CONTRACT year.

Section 1.10 “**Facility**” shall mean the facility or facilities used by SHELTER in providing shelter and other services for CITY pursuant to this Contract.

Section 1.11 “**Farm**” or “**Ranch**” means any land zoned and used for agriculture purposes.

Section 1.12 **“Farm Cat”** means any cat residing on a farm or ranch as defined herein whose presence is for the purpose of rodent control on such farm or ranch as identified under RCMC 8.01.016 and whose ownership cannot be determined.

Section 1.13 **“Feral Cat”** means a cat which is known to live in a wild or semi-wild state without benefit of an owner or a cat which has escaped for a substantial period of time from the care of its owner and is existing in a wild state without benefit of domestication.

Section 1.14 **“Livestock”** shall be defined as set forth in the Rancho Cordova Municipal Code and shall include swine, sheep, goat, horse, cattle, equine, or bovine Animal.

Section 1.15 **“Redemption Period”** shall mean the period of time that a stray Animal is held at the Facility to provide the owner time to reclaim.

Section 1.16 **“Return to Field”** is a program that alters, vaccinates and ear tips feral/farm/community cats and returns them to the location where they were originally collected.

Section 1.17 **“SHELTER”** shall mean to the Sacramento Society for the Prevention of the Cruelty to Animals (SSPCA) and its representatives.

ARTICLE TWO - IMPOUNDMENT

Section 2.01 **Facility.** The SHELTER represents that its Facility shall house and process Animals for CITY in a manner for SHELTER to meet its obligations herein as well as meets applicable legal requirements for Animal shelters, including all rules and regulations pursuant to California Civil Code section 1813, et seq., including but not limited to, Civil Code sections 1834, 1834.4 and 1846.

Section 2.02 **Impoundment.** The SHELTER agrees that it shall accept all Animals (with the exception of Feral/Farm cats) brought to its Facility by designees of the CITY, and its citizens. Such Animals shall be impounded under the exclusive control and custody of the SHELTER for periods of time as required by law, including the California Food and Agriculture Code sections 31108 and 31752 and Rancho Cordova Municipal Code chapter 8.08. Prior to delivery to the SHELTER, the CITY shall scan for microchips or search for a CITY license and use all reasonable diligence to notify the licensed owner, if any. The CITY shall not accept a surrender of ownership of an Animal by its owner at the Facility, except through the SHELTER. Any Animal not defined in Article One shall not be delivered to the SHELTER without calling and consulting with the SHELTER as to the feasibility of impoundment, holding, and care, or available options for placement. Feral/Farm cats shall not be impounded but will be held for 24 hours, altered (spay/neutered), and returned to the neighborhood/farm area from where they were collected. Community cats or kittens over one year of age, as defined above, may be referred to the SHELTER's Return To Field Program.

Section 2.03 **Holding.** Except for feral/farm cats (which are discussed below), every stray animal delivered to the Facility by the CITY shall become property of the SHELTER to process in accordance with this Contract regarding impoundment and redemption. The CITY agrees that the passage of three (3) working days, plus one (1) additional holding day to begin from the date of delivery to the SHELTER of every impounded stray animal is the Redemption Period. Neither the

CITY nor any agency, nor agent of the CITY shall have any claim or right to any stray animal not claimed and redeemed during the Redemption Period. Should the CITY inform the SHELTER of its intent to continue holding a stray animal prior to 6p.m. of the final day of any given hold period, the SHELTER shall continue to hold the accepted stray animal for the time period requested by the CITY. The SHELTER shall be solely responsible for all costs and expenses related to the accepted stray animal(s) incurred after the holding period. Feral/Farm Cats shall be held for two (2) working days, including the day of impoundment, checked for identifications/proof of ownership (microchip, collar, tags, etc.) and referred to the SHELTER'S RTF program if no identification is found. Community Cats will be held for the redemption period set forth above, and then will be placed for adoption or referred to the RTF Program.

Section 2.04 Care. The SHELTER agrees that it shall provide reasonable and appropriate care for all Animals delivered to the Facility by the CITY. This includes adequate shelter, food, water, and all other humane treatment.

Section 2.05 Veterinary Care. Unless prior authorization is provided by the CITY, the SHELTER's acceptance and care provided for any injured or seriously ill animal shall be at the SHELTER'S sole cost and expense. Whenever exigent circumstances during the "redemption period" (see definition at Section 1) require the SHELTER to provide immediate emergency medical care to any injured or seriously ill accepted animal and such care is actually provided, the CITY may, upon request and in its sole discretion, reimburse the SHELTER for all, or part of any reasonable cost and expenses associated with the emergency medical care of the animal. The CITY understands that the SHELTER is not required to provide veterinary care to animals brought into the Facility by the CITY. If the CITY intends to impound an animal that is injured or seriously ill, the CITY will provide immediate veterinary care through the CITY's contract provider. If the SHELTER provides veterinarian care to an animal that has been impounded by the CITY, the CITY shall pay the SHELTER for services rendered.

ARTICLE THREE– ANIMAL DISPOSITION

Section 3.01 Disposition Policy. The SHELTER shall have the undisputed right, consistent with Title 8 "Animals" of the Rancho Cordova Municipal Code and this Contract, to dispose of every Animal given into its custody in accordance with the following policy:

The SHELTER shall have the sole and exclusive right to determine the responsibility of persons offering to become the owners of unclaimed Animals and the suitability of the home offered, and shall have the sole and exclusive right to accept or reject such applicants for unclaimed Animals.

The SHELTER shall have the sole and exclusive right to determine if and when Animals are to be placed in a new home or euthanized but agrees to make a good faith attempt to place Animals prior to euthanizing them.

The SHELTER shall have the right to humanely euthanize any Animal impounded that is found to be physically suffering, injured or have a communicable disease prior to the end of the Redemption Period.

Section 3.02 **Impoundment, Boarding and Adoption.** The SHELTER agrees, in accordance with Paragraph 3.1 of this Contract, that if the owner of an impounded Animal shall claim the Animal prior to the Redemption Period the SHELTER shall collect from the owner the impoundment fee(s) together with the cost of board at the current rate per Animal. Further, the SHELTER shall require the owner of every impounded Animal to pay all applicable fees including licensing and vaccination fees of an impounded Animal which has not been inoculated and licensed, as required by chapter 8.08 of the Rancho Cordova Municipal Code. The SHELTER shall set, in accordance with the law, all fees, if any, it charges to the public for an Animal adoption.

ARTICLE FOUR-COLLECTION OF FEES

Section 4.01 CITY herein designates SHELTER and SHELTER herein agrees to serve as the enforcing agency on behalf of the CITY for purposes set forth in this Contract. Specifically, SHELTER agrees that it will act on CITY's behalf by charging, collecting and/or accounting for those fees it receives pursuant to this Contract, including licensing fees, impoundment fees and boarding fees.

Section 4.02 **Disposition of Funds.** Any CITY licensing fees, impound fees, unaltered fees, and boarding fees collected or received by SHELTER shall be accounted for separately and shall not be used to offset the Annual Payment relating thereto as may be required in this Contract. Any monies paid in owner-returned cases to the SHELTER for impoundment during the Redemption Period shall be accounted for separately by the SHELTER but will not be used to offset the calculation of the Annual Payment. These funds shall be the property of the CITY and remitted to the CITY in accordance with this Contract.

Section 4.03 **Waiver of Impound Fees.** The CITY will allow flexibility to the SHELTER to waive impound fees for animals if the owner agrees to sterilize their animal.

ARTICLE FIVE- COST OF SERVICES AND FEES

Section 5.01 **Fees Schedule.** During the two-year term, starting January 1st, 2024 and ending December 31st, 2025 the CITY and SHELTER agree to the following: CITY will pay SHELTER an amount not to exceed three hundred seven thousand four hundred and forty-one dollars (\$307,441) for the 2024 year and three hundred thirty-five thousand one hundred and eleven dollars (\$335,111) for the 2025 year and the SHELTER shall accept, at CITY's discretion, up to 1,837 Animals in each twelve (12) month period. The CITY also agrees to pay the SPCA for each animal in excess of the yearly animal intake limits at the rate of \$183 per animal.

Section 5.02 **Contract Fees.** The SHELTER agrees to bill the CITY the Annual Cost of Services and Fees in twelve equal monthly installments. City agrees to pay non-disputed invoices, net 45, from date of receipt of invoice.

Section 5.03 **Livestock.** The CITY agrees that the responsibility for seizing, securing, housing, and disposing of livestock belongs to the CITY. In the event, for any reason, the CITY delivers

livestock to the SHELTER which was seized in its jurisdiction by the duly appointed agents of the CITY, the SHELTER shall be paid for actual expenses it incurs to feed, house, transport and dispose of such livestock in addition to any other amounts under this Contract. SHELTER agrees to abide by all applicable law in processing livestock hereunder.

Section 5.04 **Rendering Services for Dead Animals.** CITY shall pay the SHELTER the cost of rendering services of dead animals (including animals that died by euthanization and/or during seizure), as follows: Thirty and Zero/100 Dollars (\$30) per animal.

Section 5.05 **Humane Investigations.** Rancho Cordova Animal Control will respond to and investigate all humane cases. Humane cases that require the impoundment of an animal that requires extended care or quarantine beyond the “redemption period” will be charged as follows: Thirty and Zero/100s Dollars (\$30) per day per animal with the following limitations on impoundment at the same time: five dogs, five rabbits, ten cats per incident unless shelter authorizes additional animals at time of incident.

Animals held in protective custody will be charged as follows: Twenty and Zero/100s Dollars (\$20) per day per animal (with the following animal limitations for impoundment at the same time: five dogs, five rabbits, ten cats).

The SHELTER will make every attempt to collect all related impound fees from the animal owner at the time of redemption. If collected, the CITY will not incur the daily charge. These fees will be paid to the SHELTER by the CITY in addition to the “Fees Schedule” as outlined in Section 5.01. Section

5.06 **Software.** The SHELTER shall provide the CITY with full access to shelter software program, via internet connection or otherwise remotely available at the CITY offices, and rights to all CITY data contained therein in the event the SHELTER changes software vendors. The SHELTER shall provide the CITY a minimum of four (4) users access to the software program. The users shall be designated by the CITY. Such access shall at a minimum allow the designated CITY user to view and print and save all reports and databases related to the Contract, including, but not limited to, the status and disposition of all Animals deposited at the facility. CITY’s share of the costs of the software shall be four hundred seventy-three and Zero/100s Dollars (\$473) per month. These fees will be paid to the SHELTER by the CITY in addition to the “Fees Schedule” as outlined in Section 5.01. The SHELTER shall provide the City with up to twenty hours training annually. When software program updates are to be implemented, the SHELTER shall provide the CITY advance notice and support to include training. The SHELTER shall ensure that technical support is available to the CITY during this contract period. Immediately upon termination of the contract, or upon the request by the CITY, the CITY shall be entitled to all data, files, documents, drawings, specifications, reports, estimates, summaries, and other such material and property of the CITY as may have been prepared or accumulated to date by the SHELTER in performing this contract. SHELTER will be allowed to retain copies of all deliverables to the CITY.

Section 5.07 **Report.**

- (a) The SHELTER shall provide to the CITY, on or before the 20th day following

each month during the term of this Contract, a report setting forth the following information for each Animal delivered by designees of the CITY, and its citizens, to the Facility:

- (i) date delivered to the SHELTER.
 - (ii) source of delivery (name of Animal control officer, citizen, owner surrender);
 - (iii) type of Animal (cat, dog or other);
 - (iv) assigned identification number of Animal;
 - (v) duration of stay at the SHELTER for each Animal delivered by the CITY;
 - (vi) reason for impoundment if not a stray;
 - (vii) total number of Animals delivered to the SHELTER for the previous month.
- (b) The SHELTER shall also provide to the CITY a report of any livestock or wildlife delivered by the designees of the CITY, and its citizens to the Facility setting forth:
- (i) the date of delivery;
 - (ii) the source of delivery (name of Animal control officer, citizen, owner surrender);
 - (iii) the reason for delivery;
 - (iv) the type of livestock or wildlife;
 - (v) assigned identification number of Animal;
 - (vi) any expenses incurred to date.

Section 5.08 **Financial Records and Audit.** SHELTER shall ensure that all information as it relates to number of Animals processed on behalf of the CITY, to include those impound fees or boarding fees, unaltered fees and licensed fees, as well as the name of any the person associated with the Animal, their address, the reason the Animal was relinquished, and the location where the Animal was acquired or originated from prior to being relinquish to the SHELTER, if known is accurate, updated, and reviewed on a daily basis. The SHELTER agrees to provide CITY full access to these reports. The SHELTER's financial yearly report must be accessible by the CITY Manager of the CITY on a yearly basis. CITY reserves the right to conduct its own audit of the records of the SHELTER at any time it deems necessary for the limited purpose of verifying the Annual Payment and the Contract Fees relating thereto, the number of Animals licensed, and the number and ratio of Animals processed on behalf of the CITY compared to the total number of Animals processed by the SHELTER, the length of stay of each such Animal and the collection of fees for various services and items.

ARTICLE SIX- RABIES OBSERVATION

Section 6.01 The SHELTER agrees to accept from the CITY Animals for rabies observation and quarantine. Such Animals delivered for rabies observation shall be isolated for a period of not less than ten (10) days or, in the case of a wild, stray or owner surrendered Animal, three (3) days if the CITY, in its sole discretion, decides to euthanize the Animal and send it to the Sacramento County Public Health Services for rabies testing. The SHELTER shall be responsible for the humane euthanasia, and storage. The CITY will be responsible for processing, transport, and delivery for testing of Animal carcasses for suspected rabies Animals. The SHELTER shall make available to the CITY, upon request, information about the disposition of any rabies suspected Animal. The CITY shall pay the SHELTER the appropriate fees for quarantine as identified in Section 5.05. If the SHELTER is asked by the City to process specimen for testing through Sacramento County Public Health Services, an additional \$100 dollar fee will be charged to the City of Rancho Cordova.

ARTICLE SEVEN- LEGAL HOLDS

Section 7.01 In the event an Animal or livestock is being held by the SHELTER as a result of a cruelty seizure, criminal prosecution or other legal hold by the CITY, the CITY shall reimburse the SHELTER for any veterinarian invoices and medical bills incurred by the SHELTER until the Court awards the Animal or livestock to the CITY, orders it euthanized or orders it returned to its owner. The CITY shall not be liable for these costs in the event the Court orders the Animal or livestock owner to pay such costs and the same are paid within sixty (60) days of such order. If the fees are not paid by the Animal or livestock owner, after sixty (60) days, the CITY shall be liable for those fees and shall remit the same upon invoice by the SHELTER. In such instance, the SHELTER confers upon the CITY all rights and remedies it may have by law or equity to recover such fees and costs from the owner.

ARTICLE EIGHT-CITY REPRESENTATIONS AND OBLIGATIONS

Section 8.01 The CITY represents to the SHELTER that, as of the date of this Contract, the CITY requires rabies vaccination pursuant to chapter 8.05 of the 8.01.016 Cordova Municipal Code, requires microchips for vicious and potentially dangerous Animals pursuant to chapter 8.07 of the Rancho Cordova Municipal Code and requires licensing of Animals pursuant to chapter 8.06 of the Rancho Cordova Municipal Code and regulates of the sale of Animals pursuant to chapter 8.06 of the Rancho Cordova Municipal Code.

ARTICLE NINE– SHELTER REPRESENTATIONS AND OBLIGATIONS

Section 9.01 **Hours of Operation.** The SHELTER shall keep its Facility open to the public within the guidelines set forth by law, under mandate or based on the operational needs of the SHELTER in accordance with the law.

Section 9.02 **Use of CITY funds.** SHELTER agrees that any monies it collects on behalf of CITY pursuant to the terms of this Agreement shall be handled in accordance with generally accepted accounting principles.

Section 9.03 **Residency Verification.** The SHELTER shall verify the residency of citizens depositing Animals to their facility through a valid CA driver's license, State issue ID, or other proof of Rancho Cordova residency, evidencing a City of Rancho Cordova address.

ARTICLE TEN - INSURANCE

Section 10.01 **Evidence of Insurance Coverage** Prior to commencement of any work under this Contract, SHELTER and CITY shall provide and maintain in effect during the term of this Contract evidence of insurance coverages for general liability, auto and statutory worker's compensation.

ARTICLE ELEVEN – INDEMNIFICATION

Section 11.01 **Indemnification.** SHELTER shall defend, indemnify, and save and hold harmless City, it's officers, agents, contractors, volunteers, elected and appointed officials, and employees from any claims, suits, or actions of every name, kind, and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public) or damage to property, resulting from or arising out of SHELTER's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Contract, except those matters arising from City's sole active negligence.

City shall defend, indemnify, and save and hold harmless SHELTER, their officers, agents, contractors, volunteers, and employees from any claims, suits, or actions of every name, kind, and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public) or damage to property, resulting from or arising out of City's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Contract, except those matters arising from SHELTER's sole active negligence.

The parties intend that this provision shall be broadly construed within the limits of state law.

ARTICLE TWELVE - TERM

Section 12.01 This Contract shall be for a term of two (2) years commencing as of the date of approval by the governing bodies of both parties. Both parties may adopt, by written agreement, an additional one-year extension prior to the expiration date of this Contract. Either party may cancel this Contract at any time without penalty upon one hundred eighty (180) days written notice to the non-cancelling party. In the event of termination, the CITY shall pay those fees that accrue to the termination date and be refunded any credits that may accrue to the termination date.

ARTICLE THIRTEEN - DEFAULT

Section 13.01 **SHELTER Default.** If SHELTER fails in any material term or condition of this Contract, including failing to obtain or comply with applicable state law requirements for performing services hereunder, SHELTER shall be in default of this Contract. Whenever CITY determines it is feasible, CITY will give SHELTER a reasonable amount of time to correct the default upon written notice as to the nature of the default and the reasonable time period within which to cure same.

If SHELTER is unable to timely cure a default, then CITY may, in its sole discretion, terminate this Contract and shall thereafter be excused from performing any further obligations under this Contract. In addition, if SHELTER fails in any material term or condition of this Contract, CITY, as its option, may terminate this Contract, and CITY may thereafter pursue its remedies available at law.

Section 13.02 **CITY Default.** If CITY fails in any material term or condition of this Contract and SHELTER is not in default, SHELTER, as its option, may terminate this Contract, and SHELTER may thereafter pursue its remedies available at law.

In the event the CITY fails to remit to the SHELTER the Contract Rate or any additional fees and expenses due hereunder, the CITY shall be in default. The SHELTER may, in its sole discretion, terminate this Contract for non-payment of fees if the CITY has not cured its default after sixty (60) days written notice.

ARTICLE FOURTEEN-NOTICE.

Section 14.01 Any notice sent under this Contract except as may be otherwise expressly required in this Contract shall be written and mailed by certified receipt requested, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the receiving party at the following:

To the SHELTER:

Sacramento Society for the Prevention to the Cruelty to Animals
(SSPCA) Attn: Chief Executive Officer
6201 Florin Perkins Road
Sacramento, CA. 95828
Telephone: (916) 383-7387
Fax: (916) 383-7062

To CITY:

City of Rancho Cordova
Neighborhood Services Manager
2880 Gold Tailings Court Rancho
Cordova, CA 95670

Telephone: (916) 851-8777

Fax: (916) 851-8778

Section 14.02 Each party may change its address by written notice to the other party in accordance with this section. Any communication addressed and mailed in accordance with this section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged or confirmed, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, the other party, as the case may be.

ARTICLE FIFTEEN-MEDIATION

Section 15.01 Any dispute or claim in law or equity arising out of this Contract or any resulting transaction, including disputes or claims involving the parties to this Contract, their officers, agents or employees, shall be submitted to neutral, non-binding mediation prior to the commencement of litigation or any other proceeding before a trier of fact. The parties to the dispute or claim agree to act in good faith to participate in mediation, and to identify a mutually acceptable mediator. Both parties to the mediation agree to share equally in its cost. If the dispute or claim is resolved successfully through the mediation, the resolution will be documented by a written agreement executed by both parties. If the mediation does not successfully resolve the dispute or claim, the mediator shall provide written notice to the parties reflecting the same, and the parties may then proceed to seek an alternative form of resolution of the dispute or claim, including through a court of competent jurisdiction, in accordance with the remaining terms of this Contract and other rights and remedies afforded to them by law.

ARTICLE SIXTEEN-MISCELLANEOUS

Section 16.01 **LICENSES, PERMITS, and other approvals.** SHELTER represents and warrants to CITY that it has all licenses, permits, qualifications and approvals of whatsoever nature legally required for SHELTER to perform the work described herein. SHELTER represents and warrants to CITY that SHELTER shall, at its sole cost and expense, obtain and/or keep in effect at all times during the term of this contract any licenses, permits, and approvals which are legally required for SHELTER to perform the services under this Contract.

Section 16.02 **RECORDS and inspection.** SHELTER shall maintain records, books, documents, and other evidence directly pertinent to the performance of work under this Contract in accordance with generally accepted accounting principles and practices. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts there from and to inspect all program data, documents, proceedings, and activities.

Section 16.03 **Attorneys' Fees.** In the event an action or proceeding is instituted by either party for the breach or enforcement of any provision of this Contract, the prevailing party shall be entitled to reasonable attorneys' fees and all litigation expenses, including, but not limited to expert's fees and disbursements.

Section 16.04 **Enforceability.** If any term or provision of this Contract is found to be void, voidable, invalid or unenforceable by a court of competent jurisdiction under the laws of the State of California, any and all of the remaining terms and provisions of this Contract shall remain binding.

Section 16.05 **Time.** All times stated herein, or in any other document called for under this Contract, are of the essence.

Section 16.06 **Binding.** This Contract shall bind and inure to the heirs, devisees, assignees, and successors in interest of SHELTER and to the successors in interest of CITY in the same manner as if such parties had been expressly named herein.

Section 16.07 **Survivorship.** Any responsibility of SHELTER for warranties, insurance, indemnity, record-keeping, or compliance with laws with respect to this Contract shall not be invalidated due to the expiration, termination, or cancellation of this Contract.

Section 16.08 **Construction and Interpretation.** SHELTER and CITY agree and acknowledge that the provisions of this Contract have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this Contract and to have such provisions reviewed by legal counsel. Therefore, any ambiguities in construing or interpreting this Contract shall not be resolved against the drafting party. The titles of the various sections are merely informational and shall not be construed as a substantive portion of this Contract.

Section 16.09 **Waiver.** The waiver at any time by any party of any of its rights with respect to a default or other matter arising in connection with this Contract shall not be deemed a waiver with respect to any subsequent default or other matter.

Section 16.10 **Severability.** The invalidity, illegality, or unenforceability, of any provision of this Contract shall not render the other provisions invalid, illegal, or unenforceable.

Section 16.11 **No Third-Party Beneficiary.** It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to the CITY and SHELTER. Nothing contained in the Contract shall give or allow any claim or right of action whatsoever by any third party. It is the express intent of the CITY and the SHELTER that any such person or entity, other than the CITY or SHELTER, receiving benefits or services under this Contract shall be deemed as incidental beneficiary.

Section 16.12 **Non-Discrimination/Non-Preferential Treatment Statement.** In performing this Contract, the parties shall not discriminate or grant preferential treatment on the basis of race, sex, color, age, religion, sexual orientation, disability, ethnicity, or national origin, and shall comply to the fullest extent allowed by law, with all applicable local, state, and federal laws relating to nondiscrimination.

Section 16.13 **Authority to Execute.** The person or persons executing this Contract on behalf of their respective agency warrant and represent that they have the authority to execute this Contract on behalf of their agency and further warrant and represent that they have the authority to bind their agency to the performance of its obligations hereunder.

Section 16.14 **Force Majeure.** Neither party shall be in default by reason of any failure in the

ITEM 9.5.

ATTACHMENT 2

Contract Number: 2023-257

performance of this Contract if such failure arises out of causes beyond its reasonable control. Such causes may include, but are not limited to, acts of God, acts of the public enemy, acts of government in either its sovereign or capacity, acts of the party whose performance is not sought to be excused, fires, flood, weather, epidemics, quarantine restrictions, strikes, freight embargoes, failure of transmission or power supply, mechanical difficulties with equipment which could not have been reasonably forecasted or provided for, or other causes beyond its sole control. The party so affected will resume performance as soon as practicable after the force majeure event terminates.

Section 16.15 **Entire Agreement.** This instrument and any attachments hereto constitute the entire agreement between City and SHELTER concerning the subject matter hereof and supersedes any and all prior oral and written communications between the Parties regarding the subject matter hereof.

AGREED to this _____ day of _____, 2023, by the Parties as follows:

Approved to as form:

CITY OF RANCHO CORDOVA

SHELTER

By: _____
City Manager: Micah Runner

By: _____
Chief Executive Officer: Kenn Altine

Date: _____

Date: _____

Attest:

By: _____
City Clerk: Stacey Leitner

Date: _____

Approved as to Form:

By: _____)
City Attorney: Adam Lindgren

Date: _____

MEMORANDUM



ITEM 9.6.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Albert Stricker, Public Works Director
Edgar Medina, Principal Engineer
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2023-256 IN AN AMOUNT NOT TO EXCEED \$150,000 WITH SACRAMENTO REGIONAL TRANSIT DISTRICT FOR DESIGN SUPPORT FOR THE U.S. 50/RANCHO CORDOVA PARKWAY INTERCHANGE PROJECT**

RECOMMENDATION

Adopt the Resolution

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract No. 2023-256 with Sacramento Regional Transit District in an amount not to exceed \$150,000.00 to provide design support for the U.S. 50/Rancho Cordova Parkway Interchange Project.

BACKGROUND

The U.S. 50/Rancho Cordova Parkway Interchange Project (Project) is a critical transportation link and project for the City of Rancho Cordova (City) and the Sacramento Region that will alleviate regional congestion, improve roadway safety, support economic development, and promote the livability and quality of life in the City.

The City has one of the region's largest employment centers, second to Downtown Sacramento, with over 60,000 commuters coming into the City daily with projected growth currently underway south of the Project area. The Project proposes a new interchange on U.S. 50 at Rancho Cordova Parkway at the midpoint between the Sunrise Boulevard and Hazel Avenue interchanges. The interchange project will be a "south-only" connection and includes the design and construction of an approximate 2-mile stretch of Rancho Cordova Parkway that connects to the newly constructed segment of White Rock Road towards the south.

The new interchange design requires traversing over the existing light rail facilities (see Project Map) that are owned and operated by the Sacramento Regional Transit District (SacRT). As part of the process, the City and SacRT will work together in developing plans and specifications that meet their respective requirements as the interchange crosses over the light rail facilities. This agreement will fund and reimburse SacRT's costs associated with providing the design support and coordination with the project.

FISCAL IMPACT AND FUNDING SOURCE

Funding for this project will consist of SD Traffic Mitigation Impact Fees, Traffic Mitigation Fees, Supplemental Transportation Fee, Sunridge Anatolia CFC, Sunridge Park CFD, Sunridge North Douglas CFD and Federal Grants. There is no impact to the City's General Fund.

This project is included in the City's current approved 2023/24 - 2027/28 Capital Improvement Plan and in the 2023/24 budget.

ATTACHMENT(S)

1. Resolution
2. SacRT - Rancho Cordova Parkway Interchange Agreement

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT
NO. 2023-256 WITH SACRAMENTO REGIONAL TRANSIT DISTRICT IN AN AMOUNT NOT
TO EXCEED \$150,000 FOR DESIGN SUPPORT FOR THE U.S. 50/RANCHO CORDOVA
PARKWAY INTERCHANGE PROJECT**

WHEREAS, the U.S. 50/Rancho Cordova Parkway Interchange Project (Project) proposes a new interchange on U.S. 50 at Rancho Cordova Parkway at the midpoint between the Sunrise Boulevard and Hazel Avenue interchanges. The interchange project will be a “south-only” connection and include the design and construction of an approximate 2-mile stretch of Rancho Cordova Parkway that connects to White Rock Road and will include a new structure spanning over SacRT’s light rail tracks and Folsom Boulevard; and

WHEREAS, SacRT owns and operates bus and light rail facilities in the public right of way and within the Sacramento-Placerville Transportation Corridor Joint Powers Authority (SPTC-JPA) rail line corridor along Folsom Boulevard in the County of Sacramento; and

WHEREAS, the Project will require an adjustment to SacRT’s existing rail facilities and placement of new facilities within SPTC-JPA right of way; and

WHEREAS, the City and SacRT desire to enter into this Agreement for SacRT to perform design review of the Project plans and coordinate with regulatory agencies to obtain approvals; and

WHEREAS, this contract will be funded through SD Traffic Mitigation Impact Fees, Traffic Mitigation Fees, Supplemental Transportation Fee, Sunridge Anatolia CFC, Sunridge Park CFD, Sunridge North Douglas CFD and Federal Grants, The contract does not impact the City’s General Fund and is included in the City’s current approved 2023/24 - 2027/28 Capital Improvement Plan and in the 2023/24 budget.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract No. 2023-256 with Sacramento Regional Transit District in an amount not to exceed \$150,000 for the U.S. 50/Rancho Cordova Parkway Interchange Project in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM 9.6.

ATTACHMENT 1

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

**DESIGN SUPPORT PROJECT AGREEMENT
FOR THE U.S.50/RANCHO CORDOVA PARKWAY INTERCHANGE PROJECT
CIP PROJECT NO. CP05-2003**

THIS AGREEMENT is made and entered into on December 18, 2023 ("Effective Date") by and among **SACRAMENTO REGIONAL TRANSIT DISTRICT**, a public corporation, hereinafter referred to as "SacRT", and the **CITY OF RANCHO CORDOVA**, hereinafter referred to as "CITY" and collectively referred to as "PARTIES."

WHEREAS, SacRT owns and operates bus and light rail facilities in the public right of way and within the Sacramento-Placerville Transportation Corridor Joint Powers Authority ("SPTC-JPA") rail line corridor along Folsom Boulevard in the County of Sacramento; and

WHEREAS, CITY proposes to design and construct a new interchange on US 50 in combination with a new north-south major arterial roadway, which will connect the highway to White Rock Road and will include a new structure spanning over SacRT's light rail tracks and Folsom Blvd (the "PROJECT").

WHEREAS, the PROJECT will require an adjustment to SacRT's existing rail facilities and placement of new facilities within SPTC-JPA right of way.

WHEREAS, the PARTIES desire to enter into this Agreement for SacRT to perform design review of the PROJECT plans and coordinate with regulatory agencies to obtain approvals.

NOW, THEREFORE, SACRT AND CITY AGREE AS FOLLOWS:

1. DEFINITIONS

"SacRT FACILITIES" means all facilities depicted or described on the PROJECT Plans and Specifications that are: (1) existing rail facilities and improvements affected by the PROJECT, including but not limited to the Overhead Contact System (OCS); (2) changes or improvements to existing SacRT facilities due to the construction of the PROJECT, which includes, but is not limited to all work involved in the demolition, construction, reconstruction, realignment, or improvement of existing SacRT facilities.

2. APPROVAL OF PLANS AND SPECIFICATIONS

A. CITY must submit all plans and specifications for construction of that portion of the PROJECT that will or may affect SacRT FACILITIES, including all bid and contract provisions (herein "Plans and Specifications"), to SacRT for review and approval. SacRT may request the inclusion of SacRT's standard form construction terms and conditions in the construction contract.

B. SacRT will approve or disapprove CITY's Plans and Specifications within 60 calendar days of receipt. SacRT reserves the right, in its sole and reasonable discretion, to reject the Plans and Specifications if it determines that the PROJECT would conflict

with SacRT's ability to operate and maintain the light rail system. If SacRT disapproves CITY's Plans and Specifications for SacRT FACILITIES, CITY must make the required changes and resubmit the Plans and Specifications to SacRT for its review and approval, as provided in this Section. SacRT must not unreasonably disapprove or condition its approval of CITY's Plans and Specifications. SacRT's approval of the Plans and Specifications will be evidenced by the signature of SacRT authorized representative on the title sheet of the Plans and Specifications.

C. CITY may not construct or cause to be constructed any portion of the PROJECT that will affect SacRT FACILITIES unless and until the parties have entered into a separate construction agreement to detail the authorization and procedures for carrying out the PROJECT at CITY's sole cost. CITY must separately enter into any real property agreements with SacRT and the SPTC-JPA related to property interests that may be necessary for the PROJECT; SacRT's approval of the Plans and Specifications will not constitute a commitment by SacRT to provide any needed real property for the PROJECT.

3. ENVIRONMENTAL COMPLIANCE.

CITY is responsible for completing all necessary environmental reviews for the PROJECT, including any supplementary environmental reviews necessitated by design changes requested by SacRT under this Agreement.

4. TERM

The term of this Agreement commences as of the Effective Date and continues until: (1) the PARTIES have entered into a construction agreement; or (2) terminated by one of the parties on 60 days' advance written notice.

5. PROJECT COSTS

CITY must pay all costs for SacRT to provide design support for the project including SacRT's actual costs to (1) review the Plans and Specifications for SacRT FACILITIES; (2) coordinate with Union Pacific Railroad to the extent required; and (3) provide support for CITY to obtain regulatory approvals required to carry out the PROJECT, including approvals by Public Utilities Commission (PUC).

CITY must reimburse SacRT for actual costs associated with performing the tasks for the PROJECT in an amount not to exceed \$150,000. SacRT must provide 30 days' advance notice if it will exceed the authorized cost. This agreement may be amended to increase the authorized cost, subject to approval by the SacRT Board of Directors. SacRT will have no obligation to perform any further support services once the authorized cost is reached.

If the CITY disputes any items on an invoice for a reasonable cause, CITY may deduct that disputed item from the payment, but may not delay payment for the undisputed portions. CITY must document the amounts and reasons for such deductions to SacRT. Unless otherwise agreed, payment against invoices will be delivered by first class mail

through the facilities of the U.S. Post Office, postage prepaid, addressed to the applicable party in the manner set forth in Article 10.

6. DESIGN ROLES

The design of the PROJECT is the sole responsibility of CITY. SacRT has no responsibility for design for any part, component, or the whole of the PROJECT. No act permitted, authorized, or required to be performed by SacRT under this Agreement including, but not limited to, reviews, approvals, selections, inspections, or direct labor shall be construed to be design work by SacRT.

7. INDEMNIFICATION

CITY hereby agrees, to the extent permitted by law, to indemnify, defend, and hold harmless SacRT, the City of Sacramento and their respective officers, directors, agents, employees, and volunteers against all claims, liabilities, damages, and expenses ("Claims") including, without limitation, claims for injury to or death of any person, or damage (including contamination) to any property, natural resources, or the environment caused by or arising out of design and construction of the PROJECT or CITY's performance or failure to perform its obligations under this Agreement, except to the extent arising from SacRT's active negligence or willful misconduct.

Nothing in this Agreement is intended to make the public or any member thereof a third - party beneficiary hereunder, and no term or condition or other provision of this Agreement is intended to establish a standard of care owed to the public or any member thereof.

The foregoing requirements are not intended to and do not in any manner limit the liabilities and obligations otherwise assumed by CITY or SacRT pursuant to this Agreement.

8. INSURANCE OR SELF-INSURANCE

Each party, at its sole cost and expense, must carry insurance, or self-insure its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation, property, professional liability, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages. Failure to maintain insurance as required in this Agreement is a material breach of contract and is grounds for termination of the Agreement.

9. NO JOINT VENTURE

This Agreement does not create among the PARTIES a joint venture, partnership, or any other relationship of association or agency.

10. NOTICE

All notices, invoices, payments, and other communications under this Agreement must be in writing and will be deemed to have been duly given (1) on the date of delivery, if delivered personally to the party to whom notice is given, or if made by email directed to the party to whom notice is to be given at the email address listed below, or (2) at the earlier of actual receipt or the second business day following deposit in the United States mail, postage prepaid. Notices and other communications must be directed to the PARTIES at the addresses shown below. A party may change its person designated to receive notice, its email address, or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Article.

CITY: Albert Stricker
2729 Prospect Park Dr.
Rancho Cordova, CA 95670
astricker@cityofranchodordova.org

SacRT: Sangita Arya
Senior Systems Engineer
2811 O Street
Sacramento, CA 95816
916-869-6361
SArya@sacrt.com

11. BINDING ON SUCCESSORS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the PARTIES hereto; however, any assignment requires the written approval of the non-assigning party, and any purported assignment without such approval shall be void.

12. AMENDMENTS AND APPROVALS

This Agreement may be amended only by a writing signed by all PARTIES. All approvals required by this Agreement shall be in writing.

13. ATTORNEY'S FEES

If the services of an attorney are required by either party to secure the performance of this Agreement or otherwise upon the breach or default of either party, the prevailing party will be entitled to reasonable attorney's fees, costs, and other expenses in addition to any other relief to which such party may be entitled.

14. AMBIGUITIES

The PARTIES have each carefully reviewed this Agreement and have agreed to each term of this Agreement. No ambiguity may be presumed to be construed against either party.

15. PERMITS AND APPROVALS

Except as specifically provided in this Agreement, CITY is solely responsible for obtaining all federal, state, and local permits and other approvals applicable to the construction of all or any portion of the PROJECT.

16. THIRD PARTIES

The PARTIES hereto do not intend to establish rights enforceable by any person or entity that is not a party to this Agreement and the provisions hereof are not for the benefit of any person or entity that is not a party to this Agreement.

17. ENTIRE AGREEMENT

The MOU and this Agreement embody the entire agreement of the PARTIES in relation to the matters herein described, and no other understanding whether verbal, written, or otherwise exists between the PARTIES.

18. AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the PARTIES to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

19. COUNTERPARTS

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by all PARTIES.

Executed as of the day first above stated.

CITY OF RANCHO CORDOVA**SACRAMENTO REGIONAL
TRANSIT DISTRICT**

By: _____
MICAH RUNNER
City Manager

By: _____
HENRY LI
General Manager/CEO

ATTEST

Approved as to Legal Form:

By: _____
STACY LEITNER
City Clerk

By: _____
OLGA SANCHEZ-OCHOA
General Counsel

Approved as to Legal Form:

By: _____
ADAM U. LINDGREN
City Attorney

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MEMORANDUM



ITEM 9.7.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Matt Tamayo, Chief of Police
SUBJECT: **A RESOLUTION AUTHORIZING THE CONTINUED USE OF MILITARY EQUIPMENT FOR LAW ENFORCEMENT**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the continued use of military equipment for the City of Rancho Cordova's process as it pertains to AB 481 - Military Equipment for Law Enforcement.

BACKGROUND

On September 30, 2021, Governor Newsom signed into law a series of policing reform legislation, including Assembly Bill No. 481 (AB 481). AB 481 requires a law enforcement agency to obtain approval from the applicable governing body, by adoption of a military equipment use policy, prior to taking certain actions relating to the funding, acquisition, or use of military equipment.

The City of Rancho Cordova has established a law enforcement services contract with the Sacramento County Sheriff's Office and formed the Rancho Cordova Police Department (RCPD) to provide municipal law enforcement services within the corporate limits of the City.

The law enforcement services encompass duties and functions of the type falling under the jurisdiction of, and customarily rendered by, a city police department under applicable State statutes. Such services include: (1) the enforcement of State statutes and City codes and ordinances; (2) patrol and traffic enforcement; (3) investigative services; and (4) such other special services customarily performed by police departments to the extent specifically set forth in this Agreement. This contractual relationship allows cities that do not have their own independent police department to select law enforcement services that best fit the needs of the community.

Consistent with the requirements of AB 481, the Sacramento County Board of Supervisors originally adopted the Sacramento County Sheriff's Office Military Equipment Inventory and Policy on Tuesday, October 4, 2022. Per the requirements of AB 481, annually, the Sacramento Sheriff's Office must take an annual report and the Military Equipment Inventory and Policy for

adoption by the County Board of Supervisors; that approval occurred on June 13, 2023. The current Sacramento Sheriff's Order and Inventory List for AB 481 can be found on their website. Based on our contractual relationship with the County, after approval, the policy and list become a standard operating procedure for the Rancho Cordova Police Department.

The City is committed to ensuring that we have access to the most up-to-date equipment to safeguard the citizens of Rancho Cordova. These items provide public safety officers with the necessary tools to help safely resolve volatile situations in an effort to safeguard lives and ensure safety.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Resolution
2. Sacramento County Staff Report - AB 481 Policy Military Equipment
3. Sacramento County Sheriff - AB 481 Military Equipment Annual Report 2023

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AMENDING THE MILITARY EQUIPMENT USE POLICY

WHEREAS, on September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 (AB 481); and

WHEREAS, AB 481 (codified at Government Code § 7070 et seq.,) requires law enforcement agencies to obtain approval of the applicable governing body by the adoption of a Military Equipment Use Policy, prior to taking certain actions relating to the funding, acquisition, or use of military equipment as defined by AB 481; and

WHEREAS, the City of Rancho Cordova (City) contracts with the County of Sacramento for the provision of law enforcement services through Contract No. 91-2010 and its related amendments; and

WHEREAS, this contract contemplates that the Sacramento County Sheriff's Department will provide law enforcement services within the City's municipal boundaries; and

WHEREAS, the City desires to maintain this existing relationship with Sacramento County and the Sacramento County Sheriff's Department; and

WHEREAS, the Sacramento County Board of Supervisors approved a Military Equipment Use Policy on October 4, 2022; and

WHEREAS, the Sacramento County Board of Supervisors updated the Military Equipment Use Policy on June 23, 2023; and

WHEREAS, the City desires to maintain a consistent Military Equipment Use Policy as applied to both the Rancho Cordova Police Department and its utilization of law enforcement services provided by the Sacramento County Sheriff's Department; and

WHEREAS, the City does hereby incorporate by reference Sacramento County's Military Equipment Use Policy and desires to approve such policy as may be amended from time to time.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does adopt the County of Sacramento's Military Equipment Use Policy.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ITEM 9.7.

ATTACHMENT 1

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 13, 2023
Timed: 2:30 PM

To: Board of Supervisors

Through: Ann Edwards, County Executive
Eric Jones, Deputy County Executive
Public Safety and Justice

From: Jim Cooper, Sheriff, Sheriff's Office

Subject: Receive And File The Sacramento Sheriff's Office Annual Military Equipment Use Report For 2023; And Authorization For Continued Use Of Military Equipment And To Amend The Inventory As Changes Occur; And Authorization To Purchase And Acquire Military Equipment In The Future In Accordance With Military Equipment Policy

District(s): All

RECOMMENDED ACTION

1. Receive and File the Sacramento Sheriff's Office Annual Military Equipment Use Report for 2023.
2. Authorization for the continued use of military equipment as shown in the attached Annual Equipment Report for 2023 and authorization to amend the inventory as changes occur.
3. Authorization to purchase and acquire military equipment in the future in compliance with the Military Equipment policy as shown in the attached Annual Military Equipment use Report for 2023.

BACKGROUND

California Assembly Bill No. 481 (AB481) was authorized by Assembly Member David Chiu and approved by Governor Newsom on September 30, 2021. The purpose of AB481 was to address the funding, acquisition, and use of military

Receive And File The Sacramento Sheriff's Office Annual Military Equipment Use Report For 2023; And Authorization For Continued Use Of Military Equipment And To Amend The Inventory As Changes Occur; And Authorization To Purchase And Acquire Military Equipment In The Future In Accordance With Military Equipment Policy

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equipment. AB481 added Chapter 12.8, Section 7070 through 7075 of the Government Code.

On October 4, 2022, the Board adopted an ordinance related to approval of a Military Equipment Policy in accordance with AB481 (Ordinance No. 1596). In addition, the Board authorized the Sacramento Sheriff's Office (SSO) for the continued use of Military Equipment and authorized the SSO to make purchases and acquire Military Equipment in the future in accordance with the policy (Resolution No. 2022-0812).

In the attached Annual Military Equipment Use Report for 2023 there are three sections:

1. The Military Equipment Use Policy
2. An Inventory of the SSO's Military Use Equipment, including details on the Use, Purpose, Justification, Authorized Use, Fiscal Impact, Training Requirement, and any Legal/Procedural Rules associated with the specified equipment.
3. Demographics of Use in 2022, which details equipment deployments and total events by zip code, race, age, sex.

In addition, the SSO is requesting the annual authorization for the continued use of the military equipment outlined in the report and authorization for the future purchase or acquisition of military equipment for replacement or addition in compliance with the Military Equipment Policy.

The SSO's AB 481 Inventory and Policy will have the additional oversight of the Professional Standards Division, the Office of the Inspector General, and the Community Review Commission on an annual basis. Additionally, the use of this equipment is regulated by existing statutes and policies. The SSO made a presentation on AB481 to the Community Review Commission on May 16, 2023.

The military equipment in this inventory is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety. The term "military equipment," as used in AB481, in fact, does not necessarily indicate the equipment that has been used by the military. Pursuant to AB481, items deemed to be "military equipment" include, but are not limited to, unmanned aerial or ground vehicles, armored vehicles, command and control vehicles, pepper balls, less lethal shotguns, less lethal

ITEM 9.7.**ATTACHMENT 2**

Receive And File The Sacramento Sheriff's Office Annual Military Equipment Use Report For 2023; And Authorization For Continued Use Of Military Equipment And To Amend The Inventory As Changes Occur; And Authorization To Purchase And Acquire Military Equipment In The Future In Accordance With Military Equipment Policy

Page 3

40mm projectile launchers, long-range acoustic devices, and flashbangs. The SSO is committed to using the most up-to-date tools and equipment to safeguard the community in Sacramento. These items provide peace officers with the ability to safely resolve volatile situations that otherwise might rise to the level of a lethal force encounter. To that end, the items in this inventory also provide Sheriff's Deputies with vital tools that facilitate compliance with its stringent use of force policy. Other items deemed to be "military equipment" via AB481 include foundational equipment such as rifles. These rifles allow peace officers to address lethal threats with greater precision and from a greater distance.

The SSO is seeking to purchase new items, which are listed in the provided attachment "2023 AB481 Inventory Review" document. The requested equipment includes additional unmanned aircraft systems, breaching/flash bang shotgun shells, and ammunition.

All prior military equipment use complied with the military equipment use policy that was in effect at the time. (See Government Code section 7071(d).)

FINANCIAL ANALYSIS

There is no cost associated with the Annual Report provided. Any replacement or addition of equipment purchase as a result of the authorization provide by the Board will be funding through the SSO's Fiscal Year 2023-24 Recommended Budget.

Attachment(s):

RES – Resolution

ATT 1 – Military Equipment Annual Report 2023

ATT 2 – 2023 AB481 Inventory Review Presentation



Sacramento County Sheriff's Office

Annual Military Equipment Use Report for 2023

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Jim Cooper, Sheriff

4500 Orange Grove Avenue, Sacramento, CA 95841

Military Equipment Use Policy

Specialized Enforcement Maximum Safety Equipment (SEMS)

706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

706.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Sacramento Sheriff's Office.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue service weapons.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

706.2 POLICY

It is the policy of the Sacramento Sheriff's Office that members of this office comply with the provisions of Government Code § 7071 with respect to military equipment.

706.3 MILITARY EQUIPMENT COORDINATOR

The Sheriff or authorized designee should designate a member of this office to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

- a. Acting as liaison to the governing body for matters related to the requirements of this policy.
- b. Identifying the Sheriff's Office equipment that qualifies as military equipment in the current possession of the Sheriff's Office, or the equipment the Sheriff's Office intends to acquire that requires approval by the governing body.
- c. Conducting an inventory of all military equipment at least annually.
- d. Collaborating with any allied agency that may use military equipment within the jurisdiction of Sacramento Sheriff's Office (Government Code § 7071).
- e. Preparing for, scheduling, and coordinating the annual community engagement meeting to include:
- f. Publicizing the details of the meeting.
- g. Preparing for public questions regarding the Sheriff's Office's funding, acquisition, and use of equipment.
- h. Preparing the annual military equipment report for submission to the Sheriff or authorized designee and ensuring that the report is made available on the office website (Government Code § 7072).
- i. Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Sheriff's Office will respond in a timely manner.

706.4 MILITARY EQUIPMENT INVENTORY

The [list of qualifying equipment](#) for the Sheriff's Office is available on SacSheriff.com under [Transparency](#).

706.5 APPROVAL

The Sheriff or the authorized designee shall obtain approval from the County Board of Supervisors by way of an ordinance adopting the military equipment policy. As part of the approval process, the Sheriff or the authorized designee shall ensure the proposed military equipment policy is submitted to the County Board of Supervisors and is available on the Sheriff's Office website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the County Board of Supervisors prior to engaging in any of the following (Government Code § 7071):

- a. Requesting military equipment made available pursuant to 10 USC § 2576a.
- b. Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.
- c. Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.
- d. Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of the Sheriff's Office.
- e. Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the County Board of Supervisors.
- f. Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.
- g. Acquiring military equipment through any means not provided above.

706.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment should not be used by any other law enforcement agency or member in this jurisdiction unless the military equipment is approved for use in accordance with this policy.

706.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Sheriff or the authorized designee should submit a military equipment report to the County Board of Supervisors for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Sheriff or the authorized designee should also make each annual military equipment report publicly available on the Sheriff's Office website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in Sheriff's Office inventory.

706.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Sheriff's Office shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Sheriff's Office should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

Military Use Equipment

Unmanned Aircraft System (UAS)

An unmanned aircraft along with the associated equipment utilized to enhance the safety to the community and officers.

Description, quantity, capabilities, lifespan and purchase cost for current inventory:

1. **Autel EVO II 640T (RCPD)**, Cost:\$6,900, quantity: 1, Lifespan:3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
2. **Autel EVO II Dual (RCPD)**, Cost: \$10,000, Quantity: 1, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
3. **Autel EVO II 6k**, Cost: \$2,100, Quantity: 1, Lifespan: 3 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
4. **DJI Inspire 2, Basic Video/Image capture** (See URL for full Specs), Cost: \$0 Donation, Quantity: 1, Lifespan, 3 Years, Annual Maintenance: \$600. Website: <https://www.dji.com/inspire-2>
5. **DJI Matrice 200**, Cost: No cost (donated), quantity: 1, Lifespan: 2-4 years. This is a remotely operated battery-powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
6. **DJI Matrice 600**, Cost: \$4,800, quantity: 1, Lifespan 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
7. **DJI Mavic 2 Enterprise Dual**, Cost: \$3,850, Quantity: 3, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
8. **DJI Mavic 2 Enterprise Zoom**, Cost \$3,000, Quantity: 5, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
9. **DJI Mavic 2 Professional**, Cost: No cost (Obtained pursuant to California Civil Code Section 2080.6), Quantity: 1, Lifespan: 3-5 years. This is a remotely operated battery powered

aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.

10. **DJI Mavic Advanced**, Cost: \$10,000 , Quantity:1 , Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
11. **DJI Mini 2**, Cost: \$450 , Quantity: 10 , Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
12. **DJI Phantom 4 Professional**, Cost: \$1,600 , Quantity: 1 , Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.

UAS No Longer in Service:

1. **DJI Mavic 2 Enterprise Dual**, Cost: \$3,850, Quantity: 1, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
2. **DJI Inspire 1**, Cost: no cost (donated), Quantity: 1, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
3. **DJI Phantom 3 Professional**, Cost: No Cost (Donated), Quantity: 1 , Lifespan: No longer supported by manufacturer, not in use. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.

Proposed Uses

The Sacramento County Sheriff's Office SCOUT program uses Unmanned Aerial System (UAS) craft of varying sizes and capabilities to enhance public safety. All the crafts used by the program are the same makes and models available for purchase by the public. The craft are used in compliance with all federal, state, and local laws and are not used in any way for routine patrol or surveillance of the public.

Justification:

The wide variety of UAS utilized by the Sacramento County Sheriff's Office augment the Air Operations detail. They provide an aerial perspective that is directly viewable by Incident Commanders and Tactical Commanders during critical incidents and high-risk events. Because of these UAS, commanders are able to make split-second decisions that keep officers and surrounding citizens safe, as well as reduce the risk of a use-of-force encounters with a sequestered suspect(s).

Rules of Use

14 CFR Part 107 Small Unmanned Aircraft Systems governs uses of drones. More information about the rules for public safety agencies can be found on the FAA website at https://www.faa.gov/uas/public_safety_gov/

The use of UAS is governed by Federal, State and local laws and regulations. The Federal Aviation Administration (FAA) governs all aircraft rules and regulations for flight within the US National Airspace, including UAS

Sheriff's Office General Orders:

G.O 26-10 – Unmanned Aerial Systems

Training

All SSO UAS Pilots have FAA Part 107 Commercial UAS Pilot License and go through 40 hours of initial training prior to operating any UAS in the field. This training includes but is not limited to, Federal rules and regulations, State rules and regulations, SSO Policy, Flight training (day and night), and SSO Obtained FAA Authorizations.

Ensuring Compliance

The Sheriff's Office uses a Pilot and Equipment Flight Management System that alerts the administrators anytime a UAS exceeds standard operating procedures and when pilots are out of flight currency standards. The Federal Aviation Administration has authority to perform a compliance check of Sheriff's Office UAS Operations at any time and authority to revoke issued Certificate of Authorizations. The Sheriff's Office has the authority to investigate any suspected UAS Pilot misconduct and take disciplinary action up to and including termination.

Fiscal Impact

Annual Maintenance and battery replacement cost is approximately \$25,000.

Robots

Unmanned machine operating on the ground utilized to enhance the safety to the community and officers.

Description, quantity, capabilities, lifespan and purchase cost

1. **PackBot 510**, Cost: no cost (1033 program), Quantity: 5, Lifespan: 10 years. PackBot 510 is a man-transportable robot that performs bomb disposal, surveillance and reconnaissance, CBRN detection and HazMat handling operations. PackBot 510 easily climbs stairs and navigates narrow passages, relaying real-time video, audio and sensor data while the operator stays at a safer, standoff distance. The PackBot 510 manipulator lifts up to 44 lbs.
2. **Remote Andros F6-A**, Cost: \$250,000, Quantity: 1, Lifespan: 15 years. The Remote Andros F6-A is a heavy-duty robot with stair climbing ability and an arm capable of lifting 65lbs. The F6A also offers multiple communications options, a chassis and manipulator that allow for accessories and tool combinations, and quick-release pneumatic wheels for rapid width reduction.

3. **Qinetic Dragon Runner Robot**, Cost: \$90,000, Quantity: 1, Lifespan: 8-10 years. This is a compact robot platform that can be hand carried or transported inside a rucksack. It can be remotely operated from many hundreds of meters away, providing protection and safety to their operators.
4. **Robotex Avatar Tactical Robot**, Cost: \$57,618.80, Quantity 2, Lifespan: until deemed unusable. The AVATAR® enhances the capabilities of SWAT and tactical response teams by allowing them to quickly and safely inspect dangerous situations, there is no longer a need to send personnel in before you've had a chance to assess the situation. The AVATAR® enhances the capabilities of SWAT and tactical response teams by allowing them to quickly and safely inspect dangerous situations, there is no longer a need to send personnel in before you've had a chance to assess the situation.

Purpose

To be used to remotely gain visual/audio data, deliver HNT phone, open doors, disrupt packages, and clear buildings.

Justification:

Robots are used in place of a person when practical to safely accomplish a task without putting a person in harm's way. They can open doors, look at things, manipulate or move items. They can deliver equipment, provide communication, and aid in de-escalation. Often the only alternative to using a robot is to put an officer or bomb technician, or tactical personnel, in great jeopardy to accomplish a task that could be safely performed with a robot.

Authorized Use

Only assigned operators who have completed the required training shall be permitted to operate the robots identified at sections 2(a)(i) through (ii). Use is established by the Bomb Squad Commander and or Incident Commander.

Training

EOD Robot operators (PackBot, Qinetic Dragon, Remote Andros F6-A) must complete FBI Hazardous Devices School and FBI Robotics School. Robotex Avatar drivers include lecture, familiarization, and driving training.

Legal and Procedural Rules

It is the policy of the Sacramento County Sheriff's Office to utilize a robot only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law.

Armored Vehicles

Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

Description, quantity, capabilities, lifespan and purchased cost

1. **LENCO BEARCAT G2**, Cost: \$244,062 (2012 model), \$389,256 (2022 model), Quantity 2, Lifespan: 10 years. The Lenco Bearcat, G2, is an armored vehicle that seats 10-12 personnel

with open floor plan that allows for rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.

Purpose

To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents.

Justification

Should the Lenco Bearcat or Rook be removed from the current inventory, the ability to safely rescue, evacuate, and extricate civilians and law enforcement personnel from high-risk situations would be severely compromised and place the public, law enforcement, and the suspect(s) in an immediate higher degree of danger. In the instance in which there exists an active gun battle involving suspect(s) weapons such as high-power rifles and high-power handgun ammunition, or there exists a very high probability of the potential of an armed conflict occurring, normal "hardcover" such as standard patrol vehicles, body armor, helmets, portable shields, and even masonry or wood items, would not provide the adequate ballistic protection to safely evacuate and rescue civilians and public safety personnel from such an incident. This would effectively decrease the ability of law enforcement to provide lifesaving, harm reduction measures to the public and their own personnel, while at the same time increasing the risk to the suspect(s).

Authorized Use

The use of armored vehicles shall only be authorized by a watch commander or SWAT commander based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.

Fiscal Impact

\$8,000 maintenance, \$5,000 gas.

Training

All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

Legal and Procedural Rules

All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

High Mobility Multi-Purpose Wheeled Vehicles, 2.5 Ton Trucks, 5-Ton Trucks, or Wheeled Vehicles with attached Breaching or Entry Apparatus

Description, quantity, capabilities, lifespan and purchased cost

1. **1985 AM General Corporation 5-Ton Truck**, Cost: no cost (1033 program), Quantity 1, Lifespan: 10 years. The AM General 5-Ton Vehicle is a military piece of construction equipment. It is outfitted with a dump bed and is all wheel drive. The vehicle is not equipped with any weapons or weapon mounts nor is it intended to be deployed during any enforcement activity.

Purpose

The intended purpose for this vehicle is to provide aid in incidents involving major flooding at or around the Rio Cosumnes Correctional Center.

Authorized Use

This vehicle has never been deployed and the Sheriff's Office is currently in the process of eliminating it from the fleet.

Training

Operating this vehicle requires a Class B California Driver's License with an Air Brake Endorsement. All operators must utilize this vehicle in accordance with Sheriff's Office General Orders regarding vehicle operations.

Fiscal Impact

None

Legal and Procedural Rules

All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

2. **1992 AM General Hummer H1**, Cost: no cost (1033 program), Quantity:1, Lifespan unknown. The Youth Services HUMVEE is a show vehicle that is deployed and operated by a team of deputies assigned to the Youth Services Unit. The onboard equipment is utilized by Sheriff's Deputies, attracting the attention of the public while providing tools to interact with them to bridge the gap between law enforcement and the community. The YSU HUMVEE is equipped with: Law Enforcement Radio Equipment to communicate with public safety entities in the region, Audio Speaker Public address system, Red and Blue exterior emergency response lighting White scene lighting/illumination Xbox game system Mounted televisions for multi-media use.

Purpose

The YSU HUMVEE is deployed during community events at schools, parks, churches, car shows and various other events as a static display. Additionally, the YSU HUMVEE is used for community parades.

Justification

The outfitted Hummer vehicles are always popular with the public. They provide an opportunity for the Sacramento Sheriff's Office to interact with the youth in a manner that has proven favorable to a majority of kids. They are also a great way to answer general questions about law enforcement, and potentially recruit future generations to the profession.

Authorized Use

The YSU HUMVEE does not need special approval prior to deployment. It is deployed from the Sheriff's headquarters and is not used for routine patrol or transportation.

Training

Operating the vehicle does not require any special operator permits or licenses. However, basic EVOC training is a minimum requirement. Additionally, drivers are given multiple behind-the-wheel lessons to acclimate themselves to driving this unique vehicle. Using equipment associated to the YSU HUMVEE requires minimal familiarization training.

Fiscal

\$2,000 maintenance

Legal and Procedure Rules

All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

3. **2021 AM General Hummer Humvee**, Cost: no cost (1033 program), Quantity:1, Lifespan: unknown. The High Mobility Multipurpose Wheeled Vehicle (HMMWV) is used as a community relations tool for the Sheriff's Canine Unit. The HMMWV has markings similar to a marked Sheriff's field services patrol vehicle, as well as an overhead light bar. However, the HMMWV is not used for any law enforcement related tasks. The HMMWV is brought out to community relations events when the canine unit is requested. Attendees of the community events are able to interact with members of the canine team and the HMMWV.

Purpose

The High Mobility Multipurpose Wheeled Vehicle (HMMWV) is only utilized at special community relations events when the canine unit is requested.

Justification

The outfitted Hummer vehicles are always popular with the public. They provide an opportunity for the Sacramento Sheriff's Office to interact with the youth in a manner that has proven favorable to a majority of kids. They are also a great way to answer general questions about law enforcement, and potentially recruit future generations to the profession.

Authorized Use

The HMMWV does not need special approval prior to deployment. It is deployed from the canine office and is not used for routine patrol or transportation.

Training

Operating the vehicle does not require any special operator permits or licenses. However, basic EVOC training is a minimum requirement. Additionally, drivers are given multiple behind-the-

wheel lessons to acclimate themselves to driving this unique vehicle. Using equipment associated to the YSU HUMVEE requires minimal familiarization training.

Fiscal

\$2,000 maintenance

Legal and Procedure Rules

All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

Tracked Armored Vehicles that Provide Ballistic Protection to Occupants and Utilize a Tracked System for Forward Motion

Description, quantity, capabilities, lifespan and purchased cost

1. **Ring Power ROOK- Modified CAT compact Track Loader chassis**, Cost: \$315,518.65, Quantity: 1, Lifespan: 10 years. The ROOK can be utilized by authorized SWAT personnel to identify, discover and locate threats or hazards, to include explosives and ballistic threats. The ROOK may be used to stabilize critical infrastructure and functions to minimize health and safety threats during a terrorist attack. During a terrorist attack, the ROOK will allow for law enforcement protected response.

Purpose

To provide a capability for defensive ballistic protection in indoor and outdoor environments, rescue platforms for elevated structure rescue, and rough terrain environments where certain equipment would be limited.

Justification

Should the Lenco Bearcat or Rook be removed from the current inventory, the ability to safely rescue, evacuate, and extricate civilians and law enforcement personnel from high-risk situations would be severely compromised and place the public, law enforcement, and the suspect(s) in an immediate higher degree of danger. In the instance in which there exists an active gun battle involving suspect(s) weapons such as high-power rifles and high-power handgun ammunition, or there exists a very high probability of the potential of an armed conflict occurring, normal "hardcover" such as standard patrol vehicles, body armor, helmets, portable shields, and even masonry or wood items, would not provide the adequate ballistic protection to safely evacuate and rescue civilians and public safety personnel from such an incident. This would effectively decrease the ability of law enforcement to provide lifesaving, harm-reduction measures to the public and their own personnel while at the same time increasing the risk to the suspect(s).

Authorized Use

The ROOK shall be used by SWAT team members in a manner consistent with Department policy and training. Furthermore, only SWAT team members or those designated by the tactical commander, who have completed the appropriate training, will operate the ROOK.

ITEM 9.7.

Sacramento County Sheriff's Office

ATTACHMENT 3

Military Equipment Use Report 2023

Fiscal Impact

Maintenance cost \$7,000.

Training

All driver/operators shall attend formalized instruction and be trained in ROOK operations and practical driving instruction.

Legal and Procedural Rules

It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

Mobile Incident Command (MIC)

Vehicles built or modified to facilitate operational control and direction of public safety units.

Description, quantity, capabilities, lifespan and purchase cost

1. **Mobile Booking/ Command Vehicle, 2008 Wabash 53' Trailer**, Cost: no cost (1033 program), Quantity: 1, Lifespan: Depends on use. Vehicle is used infrequently. The Mobile Booking / Command Vehicle provides a mobile on-site platform for command, control, communications during major incidents. It further facilitates mobile booking for incidents involving mass arrest.
2. **NOMAD Tactical Communications Vehicle (TCV), 2017 Ford 450 XLT**, Cost: \$479,455.58, Quantity: 1, Lifespan: Unknown. The NOMAD is deployed to major incidents that require a Tactical Dispatcher at an existing command post. It allows for Tactical Dispatchers to perform their duties in the field with direct contact to the Command Staff.

Purpose

To be utilized during major incidents at the direction of the Special Operations Commander or Sheriff's Office Fleet Manager.

Justification

This mobile booking trailer provides a comfortable and climate-controlled environment for those being arrested during a large-scale incident. The alternative would be to have them out in the elements during the process or transported to the Main Jail, where they would eventually be released in a potentially unfamiliar environment. Additionally, the ability to process arrested persons outside of the Main Jail allows patrol personnel to return to handling calls for service in a much more expeditious manner. This vehicle is configured with interoperable voice, video and data capabilities that allow consistency of service for dispatch and intelligence in the field, in a climate controlled and quiet environment. This vehicle is delivered to protracted critical incidents such as hostage situations, active shootings and large natural disasters.

Authorized Use

These vehicles are to be utilized at the direction of the Special Operations Commander or Sheriff's Fleet Manager. These vehicles are not utilized during routine patrol or transportation.

Training

These vehicles do not require any special operator permits or licenses. All operators attend the appropriate training for operation in accordance with the California Department of Motor Vehicles.

Legal and Procedural Rules

It is the policy of the Sacramento County Sheriff's Office to utilize a Command and Control Vehicles only for official law enforcement purposes, and in accordance with established policy

Fiscal Impact

Approximately \$1500 per year

Taser Shockwave, Microwave Weapons, Water Cannon, and Long-Range Acoustic Device (LRAD)**Description, quantity, capabilities, lifespan and purchased cost**

1. **LRAD Long Range Acoustic Device D100X**, Cost: All 4 devices purchased as a bundle for \$65,822.36, Quantity: 4, Lifespan: 10 Years. These LRADs are a communication device that allows the user to focus a broadcast at a specific person, group, structure, or area similar to how a spotlight focuses light when compared to a flood light. LRAD voice broadcast systems are louder and significantly more intelligible than bullhorns and vehicle PA systems. LRAD systems ensure law enforcement's warning, commands, and instructions are clearly heard and understood. They are capable of 140 decibels and have a maximum range of 600 meters.
2. **American Tech LRAD 1000X**, Cost: \$41,785 per unit, Quantity: 2, Lifespan: Unknown, purchased in 2008. These large LRAD devices are mounted atop Folsom Dam. They are used by Folsom Dam Bureau law enforcement personnel to communicate with boaters on the lake and visitors on the shore.

Purpose

The LRAD is used by the Folsom Dam Bureau to communicate with boaters on the lake and visitors on the shore.

The LRAD is used frequently in service of high-risk search warrants where Critical Incident Negotiations Team (CINT) members call the occupants out of a residence. This use of de-escalation lessens the chance of a force on force encounter between a suspect, officer, and citizens.

The LRAD is also used during protests activities to give warnings prior to arrest and to give instructions on avenues of egress prior to any arrests as required by section 726 of the Penal Code.

The LRAD can also be used in the event of a civil disaster such as a flood or fire to ensure that citizens are notified of potential harm.

Justification

The LRAD 100X BLK-Mag is used weekly by the Special Enforcement Detail and trained negotiators during high-risk search warrant services and other critical incidents. The LRAD is utilized as a communication device to give directions, announce law enforcement intent, and safely resolve incidents at the lowest level possible. The LRAD provides law enforcement with a loud, clear, audio warning device that may be used in numerous instances related to public safety.

Authorized Use

The LRAD shall only be used by officers trained in its deployment and used in a manner consistent with Department policy and training.

Training

SWAT, Marine, Folsom Dam Bureau, and CINT personnel are trained in its usage by their respective units.

Legal and Procedural Rules

It is the policy of the Sacramento County Sheriff's Office to utilize a LRADs only for official law enforcement purposes, and in accordance with established policy.

Fiscal Impact

Approximately \$100 per year

Less Lethal Launchers and Rounds

Less Lethal Launchers are utilized by department personnel as a less lethal tool to launch impact rounds.

Description, quantity, capabilities, and purchase cost

1. **DEFENSE TECHNOLOGY, 40MM SINGLE SHOT LAUNCHER, MODELS 1425, 1327, 1325**, Cost: \$984, Quantity: 41, Lifespan: 25 years. The above models are 40MM single launchers, and share similar roles and characteristics. They are tactical single shot launchers, and fire standard 40mm less lethal ammunition. They will launch a 40MM less lethal round up to 131 feet and are only authorized to be used by specially trained personnel.
2. **DEFENSE TECHNOLOGY 37MM SINGLE LAUNCHER**, Cost \$1000, Quantity: 7, Lifespan: 25 Years. The Defense Technology 37mm single launcher is a tactical single shot launcher, similar in characteristics and performance to the above listed Penn Arms SL1-37. It fires standard 37mm less lethal ammunition, which gives similar performance to 40mm ammunition. These launchers are only authorized to be used by specially trained personnel.¹
3. **PENN ARMS SL6-37 37MM LAUNCHER**, Cost \$3000, Quantity: 9, Lifespan: 25 Years. The Penn Arms SL6-37MM Launcher is a tactical multi launcher capable of firing 6 rounds before

¹ These were previously in service but are still retained in inventory by the Sheriff's Office. These items were not listed on the previous AB481 list.

reloading. It will fire standard 37mm less lethal ammunition, which gives similar performance to 40mm less lethal ammunition. These launchers are only authorized to be used by specially trained personnel.¹

4. **PENN ARMS GL1-40**, Cost: \$984, Quantity: 4, Lifespan: 25 years. The GL1-40 is a tactical single shot launcher, and has the same function and similar characteristics as the above listed models from Defense Technology. It will fire standard 40mm less lethal ammunition. It will launch a 40MM less lethal round up to 131 feet and is only authorized to be used by specially trained personnel.
5. **PENN ARMS PGL65**, Cost: \$3300, Quantity: 1, Lifespan: 15 years. The PGL65 is a 40mm launcher capable of launching six less lethal rounds before requiring reloading. It will launch a 40MM less lethal round up to 131 feet and is only authorized to be used by SWAT personnel.
6. **PENN ARMS SL1-37 37MM LAUNCHER**, Cost \$1140, Quantity: 5, Lifespan: 25 Years. The Penn arms SL1-37 37MM Launcher is a tactical single shot launcher which fires standard 37mm less lethal ammunition, which gives similar performance to 40mm ammunition. These launchers are only authorized to be used by specially trained personnel.¹
7. **PENN ARMS SL65-37 37MM LAUNCHER**, Cost \$3000, Quantity: 1, Lifespan: 25 Years. The Penn Arms SL65-37MM Launcher is a tactical multi launcher capable of firing 6 rounds before reloading. It is similar to the above listed SL6-37, with the exception of the inclusion of a rifled barrel. It fires 37mm less lethal ammunition, which gives similar performance to 40mm less lethal ammunition. These launchers are only authorized to be used by specially trained personnel.²
8. **DEFENSE TECHNOLOGY L8 37MM LAUNCHER**, Cost \$3000, Quantity: 1, Lifespan: 25 Years. The Defense Technology L8 37mm Launcher is a tactical multi launcher capable of firing 6 rounds before reloading, similar in characteristics and performance to the above listed Penn Arms SL6-37. It will fire standard 37mm less lethal ammunition, which gives similar performance to 40mm less lethal ammunition. These launchers are only authorized to be used by specially trained personnel.²
9. **DEFENSE TECHNOLOGY, 40MM EXACT IMPACT SPONGE, #6325**, Cost: \$27.83, Quantity: 2500, Lifespan: 5 years. A less lethal 40mm lightweight plastic and foam projectile fired from a single or multi-round purpose built 40mm grenade launcher with a rifled barrel at 325 FPS. The 30-gram foam projectile delivers 120 ft/lbs. of energy on impact. The 40mm Exact Impact Sponge Round provides accurate and effective performance when fired from the approved distance of not less than five (5) feet and as far as 131 feet from the target.
10. **DEFENSE TECHNOLOGY, 40MM DIRECT IMPACT OC, #6320**, Cost: \$29.40, Quantity: 2500, Lifespan: 5 years. A less lethal 40MM lightweight plastic and crushable foam projectile fired from a single or multi-round purpose-built 40mm grenade launcher with a rifled barrel at 295 FPS. The 39-gram crushable foam projectile delivers 120 ft/lbs of energy upon impact in addition to dispersion of 5 grams of OC irritant. The 40mm Direct Impact OC Round provides

² These were previously in service but are still retained in inventory by the Sheriff's Office. These items were not listed on the previous AB481 list.

accurate and effective performance when fired from the approved distance of not less than five (5) feet and as far as 120 feet from the target.

11. **DEFENSE TECHNOLOGY, 40MM DIRECT IMPACT**, Cost: \$27.83, Quantity: 2500, Lifespan: 5 years. A less lethal 40mm lightweight plastic and crushable foam projectile fired from a single or multi-round purpose-built 40mm grenade launcher with a rifled barrel at 305 FPS. The 39-gram crushable foam projectile delivers 120 ft/lbs. of energy upon impact. The 40mm Direct Impact Round provides accurate and effective performance when fired from the approved distance of not less than 5 feet and as far as 120 feet from the target.

12. **SAGE K01 37MM IMPACT ROUND**, Cost: \$25.00, Quantity: 250, Lifespan: 5 Years. A less lethal 37mm lightweight plastic and foam projectile fired from a single or multi-round purpose built 37mm grenade launcher with a rifled barrel at 240 FPS. The 77.5-gram polyurethane projectile delivers 153 ft/lbs. of energy on impact. ²

SAGE K01LE IMPACT ROUND, Cost: \$25.00, Quantity: 250, Lifespan: 5 Years. A less lethal 37mm lightweight plastic and foam projectile fired from a single or multi-round purpose built 37mm grenade launcher with a rifled barrel at 175 FPS. The 77.5-gram polyurethane projectile delivers 81 ft/lbs. of energy on impact. ²

Purpose

To limit the escalation of conflict where employment of lethal force is prohibited or avoidable.

Justification

Chemical agents are used to help alleviate the need for officers to use potentially lethal options. In a situation where a suspect is shooting at officers and chemical agents are deployed, it may induce a cease fire and peaceful resolution to the situation. Cases around the nation have repeatedly proven this to be true, as chemical agents are utilized on an almost daily basis nationwide. Without the ability to use chemical agents, officers may be forced to enter barricaded residences, thus increasing the likelihood of a deadly encounter for either the officer or suspect. Studies related to the safety of chemical agents have shown them to be very safe to those who are exposed to the agent, with only short-term discomfort being the byproduct of their use.

Authorized Use

Situations for use of the less lethal weapon systems may include, but are not limited to:

- h. Self-destructive, dangerous and/or combative individuals.
- i. Riot/crowd control and civil unrest incidents.
- j. Circumstances where a tactical advantage can be obtained.
- k. Potentially vicious animals.
- l. Training exercises or approved demonstrations.

Training

Sworn members utilizing 40MM less lethal chemical agents or impact rounds are trained in their use by POST certified less lethal and chemical agent instructors.

Fiscal Impact

Annual maintenance is approximately \$100 for each launcher.

Legal and Procedural Rules

Use is established under the following Sheriff's Office Policies:

G.O. 2/01 Authorized Firearms and Ammunition

G.O. 2/03 Firearms Training and Qualification

G.O.2/05 Use of Firearms

G.O. 2/09 Purchase, Issuance and Inventory Control of Departmentally Owned Firearms

G.O. 2/11 Use of Force

G.O 2/15 Less Lethal Weapons

Less Lethal Shotgun

Less Lethal Shotgun is used to deploy the less lethal 12-gauge Super-Sock Beanbag Round.

Description, quantity, capabilities, and purchase cost

1. **REMINGTON 870 LESS LETHAL SHOTGUN**, Cost: \$750, Quantity: 587, Lifespan: 25 years. The Remington 870 Less Lethal Shotgun is used to deploy the less lethal 12-gauge Super-Sock Beanbag Round from a distance of 5 to 75 feet. The range of the weapon system helps to maintain space between officers and a suspect reducing the immediacy of the threat which is a principle of de-escalation.
2. **SRM ARMS M1216 Less Lethal Shotgun**, Cost \$1,549, Quantity: 1, Lifespan: 25 Years. A single unit of this less lethal shotgun was purchased to conduct a trial and evaluation to determine its suitability for use by the Sheriff's Office. The unit did not perform as required, and no further units will be purchased. This item will not be issued for duty use.³
3. **12-GAUGE SUPER-SOCK BEANBAG ROUND**, Cost: \$5.25, Quantity: 50,000, Lifespan: No expiration date. A less lethal 2.4-inch 12-gauge shotgun round firing a ballistic fiber bag filled with 40 grams of lead shot at a velocity of 270-290 feet per second (FPS). CTS Super-Sock rounds are discharged from a dedicated 12-gauge shotgun that is distinguishable by an orange butt stock and fore grip. This round provides accurate and effective performance when fired from the approved distance of not fewer than five (5) feet. The maximum effective range of this munition is up to 75 feet from the target. The Model 2581 Super-Sock is in its deployed state immediately upon exiting the barrel. It does not require a minimum range to "unfold" or "stabilize." The Super-Sock is an aerodynamic projectile. However, accuracy is relative to the shotgun, barrel length, environmental conditions, and the operator. The Super-Sock is very accurate. However, effectiveness depends on many variables, such as distance, clothing, stature, and the point where the projectile impacts.

³ This item was in the Sheriff's office inventory but has not yet been issued for duty use and was not included on the previous AB 481 list.

Purpose

To limit the escalation of conflict where employment of lethal force is prohibited or otherwise avoidable.

Justification

The Remington 870 Less Lethal Shotgun is the Sheriff's Office's primary less lethal launcher. In many situations, officers rely on less lethal launchers to avoid the necessity to use lethal force. Less lethal launchers provide officers the means to deal with dangerous situations without having to close the distance with potentially armed or combative people. They can be used from greater, and thus safer, distances than other less lethal devices, such as Tasers or other conducted energy devices. Because they can be used from a distance, it creates less likelihood for the person causing the potential danger to get close enough to harm officers. In turn, this decreases the likelihood that officers will come under such threat and it becomes less likely that it will be necessary for officers to use greater levels of force. In this way, these less lethal launchers, and their associated ammunition, fill a critical role in the tactical de-escalation process that other equipment would not be able to fulfill.

Authorized Use

Situations for use of the less lethal weapon systems may include, but are not limited to:

- a. Self-destructive, dangerous and/or combative individuals.
- b. Riot/crowd control and civil unrest incidents.
- c. Circumstances where a tactical advantage can be obtained.
- d. Potentially vicious animals.
- e. Training exercises or approved demonstrations.

Training

Sworn members utilizing less lethal shotguns trained in their use by POST certified less lethal and chemical agent instructors.

Fiscal Impact

Annual maintenance is approximately \$50 for each less lethal shotgun.

Legal and Procedural Rules

Use is established under the following Sheriff's Office Policies:

G.O. 2/01 Authorized Firearms and Ammunition

G.O. 2/03 Firearms Training and Qualification

G.O.2/05 Use of Firearms

G.O. 2/09 Purchase, Issuance and Inventory Control of Departmentally Owned Firearms

G.O. 2/11 Use of Force

G.O 2/15 Less Lethal Weapons

Distraction Devices

"Flashbang" Grenades and Explosive Breaching Tools Devices that create a distraction during hostage rescue, room entry or high-risk arrest situations.

Description, quantity, capabilities, lifespan and purchased cost

1. CTS 7290M Mini Flash-Bang (Diversionary Device), cost: \$39 per unit, quantity: 480, lifespan: Until used. The Flash Bang produces atmospheric over-pressure and brilliant white light that causes short term physiological/ psychological sensory deprivation (Approximately 6-8 Seconds) to give officers a tactical advantage.

Purpose

Flash-Bang devices are used during training and tactical events when a diversion or distraction are believed to be an effective tool to bring an event to a safe resolution.

Justification

Light sound diversionary devices (flash-bangs) utilize flash powder to deflagrate, which emits heat, light and sound from the device. This is designed to very temporarily overwhelm a human being's sensory system. The fractions of a second which are potentially gained through the use of flash-bangs can provide deputies a window of opportunity to achieve resolution in high risk situations.

Authorized Use

Flashbangs are used in accordance with Operations Orders 2/04 and 2/05, as well as in accordance with established state and federal law.

Fiscal Impact

\$1500 Per Year

Training

SWAT personnel receive training internally when they transfer to the unit as well as POST certified in-class training. Additional training will be completed annually to re-certify members of the SWAT team in the use and deployment of the Flash-Bang devices. Non-SWAT personnel attend a POST certified class in the use and deployment of the Flash-Bang device.

Legal and Procedural Rules

Flashbangs are used in accordance with Operations Orders 2/04 and 2/05, as well as in accordance with established state and federal law.

Rifles

Firearms that are equipped with shoulder stocks and long, spirally grooved barrels intended to make bullets spin and thereby have greater accuracy over longer distances.

Description, quantity, capabilities, and purchase cost

1. SEEKINS .308 CALIBER RIFLE, MODEL SP-10M, Cost: \$5000, Quantity: 8, Lifespan: 5 years. This rifle is issued to specially trained SWAT personnel and is used to provide over watch

during special operations and to address targets that may be behind barricades, wearing heavy armor, or require precision or distance capabilities exceeding those of standard patrol rifles.

2. **SIG SAUER .308 CALIBER RIFLE, MODEL 716G2**, Cost: \$1500, Quantity: 16, 15 years. This rifle is issued to authorized personnel assigned the Sheriff's Folsom Dam Bureau and is used to provide over watch during special operations and to address targets that may be behind barricades, wearing heavy armor, or require precision or distance capabilities exceeding those of standard patrol rifles. This weapon complies with the special requirements of SSO's contract with the U.S. Bureau of Reclamation to provide infrastructure security to Folsom Dam.
3. **DANIEL DEFENSE 11.5" RIFLE, MODEL DDM4 V7**, Cost: \$1775, Quantity: 18, Lifespan: 20 years. A rifle that fires an intermediate-power cartridge (.223). It is a short-barreled select fire rifle which allows a trained officer better control inside of structures with greater accuracy than a handgun. This rifle is issued only to specially trained SWAT personnel.
4. **DANIEL DEFENSE 11.5" RIFLE, MODEL DDM4 V7S**, Cost: \$1300, Quantity: 7, Lifespan: 15 Years. A rifle that fires an intermediate-power cartridge (.223). It is a short-barreled rifle which allows a trained officer better control inside of structures with greater accuracy than a handgun. This rifle is semi-automatic only, and is issued to specially-trained personnel.⁴
5. **COLT 10.5" RIFLE, MODEL LE6946CQB**, Cost: \$2067, Quantity: 26, Lifespan: 20 years. A rifle that fires an intermediate-power cartridge (.223). It is a short-barreled select fire rifle which allows a trained officer better control inside of structures with greater accuracy than a handgun. This rifle is issued to specially trained personnel and/or kept on hand as back-up equipment for the above Daniel Defense DDM4 V7 rifles.
6. **ARMALITE 5.56 CALIBER RIFLE, MODELS M15A4**, Cost \$897, Quantity: 24, Lifespan: 20 Years. These fill the have similar characteristics as the above Colt AR-Pattern rifles. They are largely interchangeable with our standard issue rifles, with the differences between models being limited largely to cosmetic or ergonomic differences only, for example, the contour of the handguards. No Armalite rifles are currently issued for duty, but are kept on hand for as a back-up inventory and for use as training rifles.⁵
7. **HECKLER & KOCH MP5K 9MM**, Cost \$1000, Quantity: 2, Lifespan: 20 Years, Annual Maintenance: \$250 per rifle. The Heckler & Koch MP5K is an automatic 9mm firearm larger than a pistol, but smaller than a rifle. It was formerly in service with specially trained SWAT officers. The Sheriff's Office retained two of these firearms in its inventory, neither of which are currently issued for duty use.⁵
8. **SPEER GOLD DOT .223 CALIBER 55 GRAIN RIFLE ROUND**, Cost: \$223 per case of 500, Quantity: 2000 cases, Lifespan: No expiration. Remington ammo made by Speer is reloadable, features nickel plated brass cases and non-corrosive Boxer primers. The Gold Dot LE ammunition goes through a process of joining the jacket and core one molecule at a time, thanks to this Speer eradicates the potential for the leading cause of bullet failure

⁴ This item was in the Sheriff's office inventory but has not yet been issued for duty use and was not included on the previous AB 481 list.

(jacket/core separation). This process will guarantee extraordinary weight retention through barriers as strong as auto-glass. In addition to its remarkable strength, Gold Dot rifle ammunition asserts remarkable accuracy. With exact tolerances and unparalleled bullet uniformity of jacket thickness.

9. **HORNADY TAP ELD-MATCH .308 168GR AR SNIPER RIFLE ROUND**, Cost: \$1.05/round, quantity: 20,000 Rounds, Lifespan: No expiration. Designed specifically for the 308 AR-10 platform and its variants, the resilient tip of the ELD Match bullet aids in reliable feed and function, and the propellant is specifically tailored to efficiently operate in the AR-10. The 168-gr. tip delivers excellent performance and features a resilient, heat resistant polymer tip that improves the ballistic coefficient, resulting in higher impact velocities, less drop, less wind drift, and more energy on target.
10. **HORNADY TAP ELD-MATCH .308 168GR HEAVY BARRIER SNIPER RIFLE ROUND**, Cost: \$1.52/round, Quantity: 5,000 Rounds, Lifespan: No expiration. The bullet is similar to the above listed Hornady TAP ELD Match AR Sniper ammunition, but is designed to penetrate heavy barriers such as 1-inch laminated glass with exceptional weight retention while still delivering superior performance.

Purpose

To be used, when appropriate, as weapons to address threats with more precision and/or across greater distances than a handgun.

Justification

The Daniel Defense M4 provides SED/SWAT team members the ability to provide citizens, victims and officers a higher level of protection/defense against a violent subject who is armed.

The Seekins Sp-10M is a new rifle to SED. The rifle has been deployed by SED sniper/ observers approximately eight (8) times since its adoption in 2021. Previous iterations of sniper rifles have been deployed by SED sniper/ observers numerous times to assist in observation or to provide firing solutions during critical incidents when no other means/ resources were available or as necessary. Additionally, the long-range capabilities of the rifle allow law enforcement personnel to retain a large standoff distance from a dangerous suspect, thereby increasing officer safety.

The **Sig Sauer 716G2** was chosen for its ability to serve as a precision rifle in a similar role as the SEEKINS SP-10M (45), and at the same time fill a similar role to a standard-issue patrol rifle should such a need arise. In this way, it would eliminate the need for staff issued a **Sig Sauer 716G2** to carry two rifles, one for precision use and one for all other appropriate applications. The need for officers issued a Sig Sauer 716G2 to have access to a precision rifle stems from their assignment to a facility tasked with maintaining such a capability per federal contract, and to aid in their response to a potential terror attack. Additionally, the long range capabilities of the rifle allow for law enforcement personnel to retain a large standoff distance from a dangerous suspect, thereby increasing officer safety.

Law enforcement is tasked with responding to dangerous events which may require an armed response. In certain circumstances, it may become necessary for an officer to discharge their

firearm in the course of duty. In these situations, officers equipped with rifles are able to place rounds accurately. This results in an increase in safety for the public and officers. **Speer Gold Dot Soft Point .223 Caliber 55 Grain Rifle** Rounds were selected to be used in conjunction with the rifle utilized by the Sheriff's Office.

The Sheriff's Office utilizes the **Hornady TAP ELD-Match 168 grain AR .308 caliber rifle ammunition** as the primary ammunition for the Seekins SP-10M precision rifle. This ammunition is designed specifically for the AR-10 platform. The resilient tip of the ELD Match bullet aids in reliable feed and function, and the propellant is specifically tailored to efficiently operate in the AR-10. The 168 gr. ELD- Match bullet with Heat Shield tip delivers excellent terminal performance, limiting over penetration. Hornady TAP Precision features a resilient, heat resistant polymer tip that improves the ballistic coefficient, resulting in higher impact velocities, less drop, less wind drift, and more energy on target, making it extremely accurate and reliable. This specific ammunition has a pinned primer that prevents the primer from "blowing back" into the chamber and causing failures in the firearm. SED sniper/ observers rigorously tested several brands of ammunition and determined the Hornady TAP ELD-Match 168 grain AR .308 caliber rifle ammunition to be the best ammunitions to fit their needs and performance with the Seekins SP-10M.

Hornady TAP ELD-Match 168 grain Heavy Barrier .308 caliber rifle ammunition is utilized in conjunction with the Seekins SP-10M precision rifle. Hornady TAP ELD-Match 168 grain AR .308 caliber rifle ammunition has been deployed by SED sniper/ observers times to assist in observation or to provide firing solutions during critical incidents when no other means/ resources were available or as necessary.

Authorized Use

Only members that have attended POST certified rifle training are authorized to use a rifle.

Fiscal Impact

Annual maintenance is approximately \$250 for each rifle.

Training

Prior to using a rifle, officers must attend POST certified training in the operation of the rifle. Additionally, all members that operate any rifle are required to pass a range qualification two times a year.

Legal and Procedural Rules

Use is established under the following Sheriff's Office Policies:

G.O. 2/01 Authorized Firearms and Ammunition

G.O. 2/03 Firearms Training and Qualification

G.O.2/05 Use of Firearms

G.O. 2/09 Purchase, Issuance and Inventory Control of Departmentally Owned Firearms

G.O. 2/11 Use of Force

.50 Caliber Rifles and Ammunition

Weapons that fire a .50 caliber round, which has greater capabilities for distance and barrier penetration than standard precision rifles.

Description, quantity, capacities, and purchase cost

1. **BARRET .50 CALIBER RIFLE, MODEL M82A1**, Cost: \$5000, Quantity: 1, Lifespan: 5 years. The Barrett M82A1 fires a heavier round than the patrol rifle or precision .308 rifle. It is utilized when there is a potential need to engage an armored target further away than the capabilities of other issued rifles or to engage a target behind a heavy barrier such as thick metal. This rifle is only used by specially trained SWAT personnel.
2. **HORNADY A-MAX 750 GRAIN .50 BMG AMMUNITION**, Cost: \$8.99/Round, Quantity: 1000 Rounds, Lifespan: No expiration. This ammunition is used with the Barrett M82A1 precision .50 caliber rifle.

Purpose

To be used, when appropriate, as weapons to address threats with more precision and/or across greater distances or through greater barricade or armor than a standard precision rifle.

Justification

The Barret M821A1 is a high-powered rifle deployed by specifically trained SED sniper/observers. This rifle may be utilized to provide observation or to provide firing solutions during critical incidents when no other means/ resources are available or as necessary. This rifle can provide highly accurate firing solutions capable of debilitating engine blocks in vehicles (big rigs attempting to crash into the Capitol building or mass casualty vehicle vs. pedestrian incidents). This rifle may also be used to break through hardened barriers where other rifles and/ or ammunition are not powerful enough to penetrate, such as; bank teller glass during hostage incidents, engine blocks, or other thick metal.

The Hornady A-Max Match 750 grain 50 BMG rifle ammunition is a high powered rifle ammunition deployed in conjunction with the Barret M82A1 by specifically trained SED sniper/observers. This rifle and ammunition may be utilized to provide observation or to provide firing solutions during critical incidents when no other means/ resources are available or as necessary. This ammunition can provide highly accurate firing solutions capable of debilitating large engine blocks in vehicles as well defeat heavy ballistic barriers. This ammunition may also be used to break through hardened barriers where other rifles and/ or ammunition are not powerful enough to penetrate, such as; bank teller glass during hostage incidents, engine blocks, or other thick metal.

Authorized Use

Only members that have attended POST certified rifle training are authorized to use a rifle. Additionally, this rifle is only used by specially trained SWAT officers.

Fiscal Impact

Annual maintenance is approximately \$100 for each rifle.

Training

Prior to using a rifle, officers must attend POST certified training in the operation of rifles. Additionally, all members that operate any rifle are required to pass a range qualification two times a year. This rifle is only used by specially trained SWAT officers.

Legal and Procedural Rules

Use is established under the following Sheriff's Office Policies:

G.O. 2/01 Authorized Firearms and Ammunition

G.O. 2/03 Firearms Training and Qualification

G.O.2/05 Use of Firearms

G.O. 2/09 Purchase, Issuance and Inventory Control of Departmentally Owned Firearms

G.O. 2/11 Use of Force

Explosive Breaching Tools

Battering Rams, Slugs and Breaching Apparatus that are explosive in nature. Items designed to safely gain entry into a structure. Items designed to remove a lock, such as bolt cutters, or handheld ram designed to be operated by one person, are specifically excluded from section.

Description, quantity, capabilities, lifespan and purchased cost

1. **Detonating Cord**, cost: \$1 per foot, quantity: 750 Feet, lifespan: Depending on usage. Detonating cord is a thin flexible tube filled with [pentaerythritol tetranitrate](#) (PETN). With the PETN exploding at a rate of approximately 6400 m/s, any common length of detonation cord appears to explode instantaneously. It is a high- speed fuse which explodes, rather than burns, and is suitable for detonating high explosives.
2. **Blasting Cap**, cost: \$12 per unit, quantity: 50, lifespan: 10 years. A blasting cap is a small sensitive primary explosive device used to detonate a larger, more powerful and less sensitive secondary explosive such as TNT, Dynamite, or plastic explosive. Blasting caps come in a variety of types, including non-electric caps, electric caps, and fuse caps.

Purpose

To be used during tactical operations to gain entry into a structure safely.

Justification:

Energetic breaching is used in extreme circumstances when there is either no alternative or no desirable alternative to gain entry into a structure safely. It may also be used as a distraction or a means of gaining an alternate entry point when it is reasonably safe to do so. Energetic breaching requires specially trained EOD Bomb Technicians or SED Breachers. Energetic breaching may only occur with the authorization of an Incident Commander, Tactical Commander, primarily in exigent, life-threatening circumstances when deadly force would be authorized.

Authorized Use

Explosive breaching may only occur after authorization by the Incident Commander or SWAT Commander in the field, and during training exercises.

Fiscal Impact

Not applicable

Training

Explosive Breaching requires an FBI certified Bomb Technician who has also completed a departmentally approved Explosive Breaching Course.

Legal and Procedural Rules

All explosive breaching tools are to be used for official law enforcement purposes and pursuant to State and Federal Law.

PepperBall Launchers, Chemical Agents and Smoke Cannisters

Tear Gas and Pepper Ball Devices that contain a chemical agent that is released when deployed.

Description, quantity, capabilities, lifespan and purchased cost

1. **CTS Ferret 40mm Liquid Barricade Penetrator Round, CS (Model 4330)** Cost: \$33 per unit, Quantity: 250, Lifespan: 5 Years. The Liquid CS filled projectile penetrates intermediate barriers and delivers irritant agents into an adjacent room.
2. **CTS Pyro CS Grenade – Baffled (Model 5230B)** Cost: \$51 per unit, Quantity: 225, Lifespan: 5 Years. The CS Pyro Grenade is a compact, chemical agent device that provides safe expulsion of approximately 25 grams of active agent during its 20-40 second discharge time, with minimal risk of fire. It is safe to use inside of a residence. This grenade is 6.2 in. by 2.6 in.
3. **CTS Pyro CS Grenade (Model 5230)** Cost: \$53 per unit, Quantity: 245, Lifespan: 5 Years. The CS Pyro Grenade is a compact, chemical agent device that provides safe expulsion of approximately 100 grams of active agent during its 20-40 second discharge time, with minimal risk of fire. It is safe to use inside of a residence. This grenade is 6.2 in. by 2.6 in.
4. **CTS Pyro CS Grenade (Model 8230)** Cost: \$35 per unit, Quantity: 175, Lifespan: 5 Years. The CS Pyro Grenade mini is a compact, chemical agent device that provides safe expulsion of approximately 25 grams of active agent during its 20-40 second discharge time, with minimal risk of fire. It is safe to use inside of a residence. This grenade is 4.9 in. by 1.4 in.
5. **CTS OC Vapor Aerosol Grenade (Model 6340)** Cost: \$52 per unit, Quantity: 150, Lifespan: 5 Years. The CTS OC Vapor Aerosol Grenade is for law enforcement and corrections use to deliver a high concentration of Oleoresin Capsicum (OC) in a powerful mist. The OC Vapor Aerosol Grenade is ideal for cell extractions or barricade situations where the use of pyrotechnic, powder or liquid devices is not practical or desired.
6. **CTS CS Vapor Aerosol Grenade (Model 6330)** Cost: \$51 per unit, Quantity: 150, Lifespan: 5 Years. The CTS CS Vapor Aerosol Grenade is for law enforcement and corrections use to

deliver a high concentration of CS in a powerful mist that is best used indoors and requires no personal decontamination.

7. **CTS OC/CS Vapor Aerosol Grenade (Model 6343)** Cost: \$55.80 per unit, Quantity: 130, Lifespan: 5 Years. The CTS CS Vapor Aerosol Grenade is for law enforcement and corrections use to deliver a high concentration of CS in a powerful mist that is best used indoors and requires no personal decontamination.
8. **CTS CS Expulsion Grenade (Model 5430)** Cost: \$59.90 per unit, Quantity: 95, Lifespan: 5 Years. The CTS CS Expulsion Grenade is for law enforcement and corrections use to deliver a high concentration of CS chemical agent in a powder payload. Provides best results when used indoors.
9. **CTS OC Expulsion Grenade (Model 5440)** Cost: \$59.90 per unit, Quantity: 80, Lifespan: 5 Years. The CTS OC Expulsion Grenade is for law enforcement and corrections use to deliver a high concentration of OC chemical agent in a powder payload. Provides best results when used indoors.
10. **CTS CS Jet-Lite Rubber Handball Grenade (Model 9230)** Cost: \$35.47 per unit, Quantity: 25, Lifespan: 5 Years. The 9230 CS Jet-Lite Rubber Ball Grenade is one of the small diameters burning grenades that discharges a high volume of chemical agents through multiple emission ports. This grenade is used specifically for outdoor use and should not be deployed indoors due to fire producing capability. Can be hand thrown or launched.
11. **Defense Technology CS Han-Ball Grenade (Model 1092)** Cost: \$56.45 per unit, Quantity: 58, Lifespan: 5 Years. This launchable grenade holds approximately 0.29 oz. of active agent that it expels in approximately 10-25 Seconds. The grenade is a fast burning, high volume continuous discharge grenade.
12. **Defense Technology CS Barricade Penetrator (Model 2262)** Cost: \$27 per unit, Quantity: 58, Lifespan: 5 Years. Liquid CS filled projectile penetrates intermediate barriers and delivers irritant agents into an adjacent room.
13. **Defense Technology First Defense 1.3% MK-9 Fogger OC Aerosol (Model 43953)** Cost: \$58.50 per unit, Quantity: 50, Lifespan: 5 Years. This tool is intended for use in crowd management and will deliver 14 short bursts of OC at an effective range of 18-20 ft. This 1.3% MC OC aerosol product utilizes a cone or fogger delivery method providing a wide spray pattern for easier target acquisition.
14. **Defense Technology First Defense 1.3% MK-9 Stream OC Aerosol (Model 56895)** Cost: \$59.10 per unit, Quantity: 50, Lifespan: 5 Years. This tool is intended for use in crowd management and will deliver 14 short bursts of OC at an effective range of 18-20 ft. This 1.3% MC OC aerosol product utilizes a stream delivery method providing a target-specific, strong concentrated stream for greater standoff.
15. **CTS Sting-Ball Grenade (Model 9590)** Cost: \$65.30 per unit, Quantity: 75, Lifespan: 5 Years. Multi-effect grenades with a loud blast, bright flash and dispersion of stinging .31 caliber pellets. Can also be configured to dispense an instantaneous cloud of irritant powder

16. **CTS Sting-Ball Grenade with CS Agent (Model 9593)** Cost: \$68.30 per unit, Quantity: 70, Lifespan: 5 Years. Multi-effect grenades with a loud blast, bright flash and dispersion of stinging .31 caliber pellets. Device is configured to dispense an instantaneous cloud of CS irritant powder
17. **CTS CS Tear-Ball Grenade (Model 9430)** Cost: \$63.30 per unit, Quantity: 50, Lifespan: 5 Years. Tear Ball Grenades are explosive "rubber-ball" style grenades that upon initiation eject a powder agent of CS, CN, OC or talc into a radius surrounding the device. Tear Balls are primarily used for crowd control in indoor and outdoor situations.
18. **CTS Triple Phase CS Smoke Grenade (Model 5231)** Cost: \$64.60 per unit, Quantity: 65, Lifespan: 5 Years. CS Triple Phaser canister grenade is a large diameter grenade consisting of 3 separate aluminum canisters pressed together with separate charges between each canister. When deployed, the grenade will separate over a broad space to give a wider area of coverage. Can be launched or thrown.
19. **CTS White Smoke Grenade (Model 6210)** Cost: \$50.25 per unit, Quantity: 50, Lifespan: 5 Years. White outdoor smoke grenades are used for obscuring tactical movement and signaling or marking a landing zone.
20. **Pepper Ball VKS Launcher** Cost: \$850 per unit, Quantity: 8, Lifespan: 20 Years. The Pepper Ball launcher is a carbon dioxide (CO2) powered device designed to fire non-lethal Pepper Ball projectiles. They may be used in crowd control and Mobile Field Force situations to limit the escalation of conflict where employment of lethal force is prohibited or undesirable. These launchers are not classified as firearms and are described as non-lethal by the manufacturer. Pepper ball launchers are designed to deliver less lethal Pepper Ball projectiles for the purpose of incapacitating, immobilizing, or stunning a human being through the infliction of a less than lethal impairment of physical condition, function, or senses, including physical pain or discomfort.
21. **Pepper Ball VXR Live-X Projectile** Cost: \$3 per unit, Quantity: 12,000, Lifespan: Until Expired. The VXR Live-X Projectile is a non-lethal round. The projectile contains approximately 10x the PAVA of the VXR LIVE projectile. This projectile is best for direct impact or area saturation. Discharged from a Pepper Ball Launcher, the projectile has a velocity of 280-425 FPS. The projectile has a direct impact of 150ft and an area of saturation of 390+ft. The projectile contains 2.5% PAVA powder.

Purpose

Used to assist members of the SWAT team to bring a dangerous event to a safe resolution. This item may be utilized by trained SWAT and Mobile Field Force personnel in crowd control and Mobile Field Force Deployments or in a correctional setting where necessary.

Justification

Any critical incident will effectively put a strain on the daily functions of patrol and responding to citizens' calls for service. When officers are dealing with a critical incident, all other emergencies that citizens may have are often prioritized below the critical incident. During a critical incident, neighbors are evacuated from their homes for their safety for several hours, roads are closed and businesses may be shut until the incident is resolved. As the incident is

prolonged, the county faces a financial burden as well. A barricaded subject allowed to stay at residence or business for multiple hours to days, will impact the county balance sheet. With the number of critical incidents the Sacramento County Sheriff's Office faces, that will put the county in a financial deficit. Chemical agents may be used to ensure that the incident is resolved in a timely manner, limiting the financial burden to tax payers as well as the deprivation of property to citizens within the vicinity of the incident.

Chemical agents are used to help alleviate the need for officers to use potentially lethal options. In a situation where a suspect is shooting at officers and chemical agents are deployed, it may induce a cease fire and peaceful resolution to the situation. Cases around the nation have repeatedly proven this to be true, as chemical agents are utilized on an almost daily basis nationwide. Without the ability to use chemical agents, officers may be forced to enter barricaded residences, thus increasing the likelihood of a deadly encounter for either the officer or suspect. Studies related to the safety of chemical agents have shown them to be very safe to those who are exposed to the agent, with only short-term discomfort being the byproduct of their use.

Authorized Use

All items are used in accordance with established state and federal law. It is further used in accordance with established department policy, including Operations Orders 2/04 and 2/05, General Orders 2/08, 2/11, and 2/15.

Training

SWAT operators who utilize these munitions have been through and successfully completed a POST approved gas school and/or trained in-house by POST certified chemical agent instructors. Non-SWAT personnel attend a POST certified class in the use and deployment of the above-mentioned device.

Fiscal Impact

Total: \$24,100

Breakdown of total:

CTS Ferret 40mm Liquid Barricade Penetrator Round, CS (Model 4330): \$1500

CTS Pyro CS Grenade – Baffled (Model 5230B): \$2500

CTS Pyro CS Grenade (Model 5230): \$2500

CTS Pyro CS Grenade (Model 8230): \$2000

CTS OC Vapor Aerosol Grenade (Model 6340): \$1500

CTS CS Vapor Aerosol Grenade (Model 6330): \$1500

CTS OC/CS Vapor Aerosol Grenade (Model 6343): \$1000

CTS CS Expulsion Grenade (Model 5430): \$1000

CTS OC Expulsion Grenade (Model 5440): \$1000

CTS CS Jet-Lite Rubber Handball Grenade (Model 9230): \$750

ITEM 9.7.

Sacramento County Sheriff's Office

ATTACHMENT 3

Military Equipment Use Report 2023

Defense Technology CS Han-Ball Grenade (Model 1092): \$750

Defense Technology CS Barricade Penetrator (Model 2262): \$500

Defense Technology First Defense 1.3% MK-9 Fogger OC Aerosol (Model 43953): \$1500

Defense Technology First Defense 1.3% MK-9 Stream OC Aerosol (Model 56895): \$1500

CTS Sting-Ball Grenade (Model 9590): \$1000

CTS Sting-Ball Grenade with CS Agent (Model 9593): \$1000

CTS CS Tear-Ball Grenade (Model 9430): \$750

CTS Triple Phase CS Smoke Grenade (Model 5231): \$1000

CTS White Smoke Grenade (Model 6210): \$750

Pepper Ball VKS Launcher: \$100

Pepper Ball VXR Live-X Projectile: Replacement as used

Legal and Procedural Rules

Use is established under established Sheriff's Office policy and in accordance with established state and federal laws.

Maintenance of Military Supply Levels

When stocks of military equipment listed within the aforementioned sections have reached significantly low levels or have been exhausted, the Sacramento County Sheriff's Office may order up to 10% of stock in a calendar year without board of supervisor approval to maintain essential availability for the department's needs, and not be found in a position of being depleted of emergency resources for a critical event and/or ongoing event, such as incidents of civil unrest, or long-term, large-scale tactical operations. As such, SSO is authorized to acquire additional stock of items listed here from other law enforcement agencies or contracted vendors in the event of an emergency, when approved by the Sheriff or their designee.

Requesting replacement during 2023-24 Fiscal Year for the following equipment:

New Equipment Requested

The Sheriff's Office respectfully requests the purchase of the following additional equipment for Fiscal Year 2023-24.

1. **DJI Mavic 3 Enterprise, High res video / crime scene and fatal collision reconstruction,** Cost: \$3,788, Quantity: 1, Lifespan: 3 Years, Annual Maintenance: \$800.
Website: <https://www.dji.com/mavic-3-enterprise>
2. **DJI Mavic 3 Thermal,** Cost: \$5,748 , Quantity: 7, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.

3. **DJI Avata, Mini indoor UAS / high res daytime camera/ for indoor flight**, Cost: \$1,388, Quantity: 9, Lifespan: 3 Years, Annual Maintenance: \$500. Website: <https://www.dji.com/avata>.
4. **DJI Mavic 3 Thermal**, Cost: \$5,748 , Quantity: 3, Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator day or night.
5. **DJI Mavic 3 Enterprise**, Cost: \$3,788 , Quantity: 3 , Lifespan: 3-5 Years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
6. **DJI Avata**, Cost: \$1,388 , Quantity: 4 , Lifespan: 3-5 years. This is a remotely operated battery powered aircraft designed to be operated within sight of the operator or a spotter. Each drone is equipped with a camera capable of relaying a real-time image back to the drone operator.
7. **DJI Matrice 30T, DFR Capable / High res thermal/ Speaker/spot light for de-escalation**, Cost: \$14,000, Quantity: 2, Lifespan: 3 Years, Annual Maintenance: \$700. Website: <https://www.dji.com/matrice-30>.
8. **DJI M300, DFR Capable /Speaker/spot light / Carry payload for search and rescue**, Cost: \$13,200, Quantity: 1, Lifespan: 3Years, Annual Maintenance: \$800. Website: <https://www.dji.com/matrice-300>.
9. **TESAR-2 Black CAP, 425 Grain Shotgun/Breaching Rounds**, Cost: \$7.00, Quantity: 100, Lifespan: 10 years. The ammunition being requested by SED is the TESAR-2 Black CAP 425 Grain Copper frangible round. The TESAR-2 Black Cap is a condensed copper powder (traveling at 1 525 Ft p/SEC) sold by Royal Arms International. The frangible ammunition is suitable for various structures, turning into powder upon contact with the intended target.
10. **Royal Arms International Shotgun Flash Bang Cartridges**, Cost: \$4.50, Quantity: 200, Lifespan: 10 years. Flash Bang rounds can assist with the compliance of uncooperative suspects and create distractions necessary in a tactical environment.
11. **Hornady 5.56 NATO 53 Grain Rifle Rounds**, Cost: \$1.00 per round, 200 rounds per case, Quantity: 2000 cases, lifespan: No Expiration. TAP Patrol is specifically designed to provide consistent and reliable performance through the FBI protocol when fired through 14.5" – 16" barreled 1:7 – 1:9" twist patrol rifles. The lead-free CX™ bullet features a flat polymer tip, which allows it to provide "barrier blind" performance ensuring consistent penetration depths. The flat tip design ensures the bullet will not plug with material from the barriers and ensures feeding through the wide variety of patrol rifle platforms.

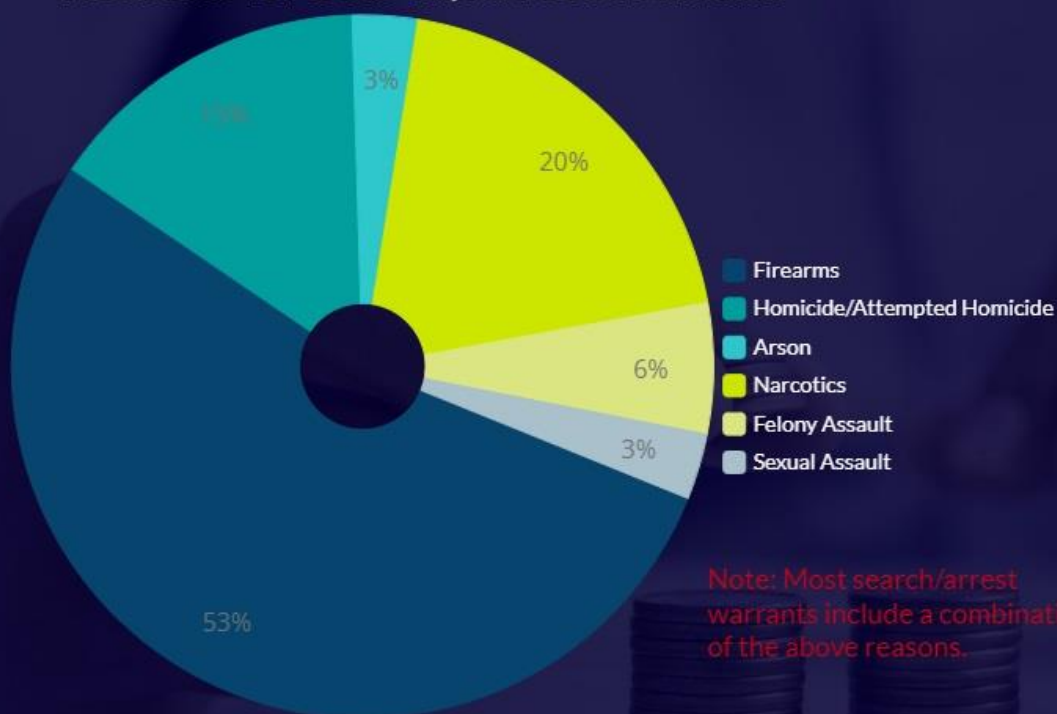
Demographics of Use in 2022

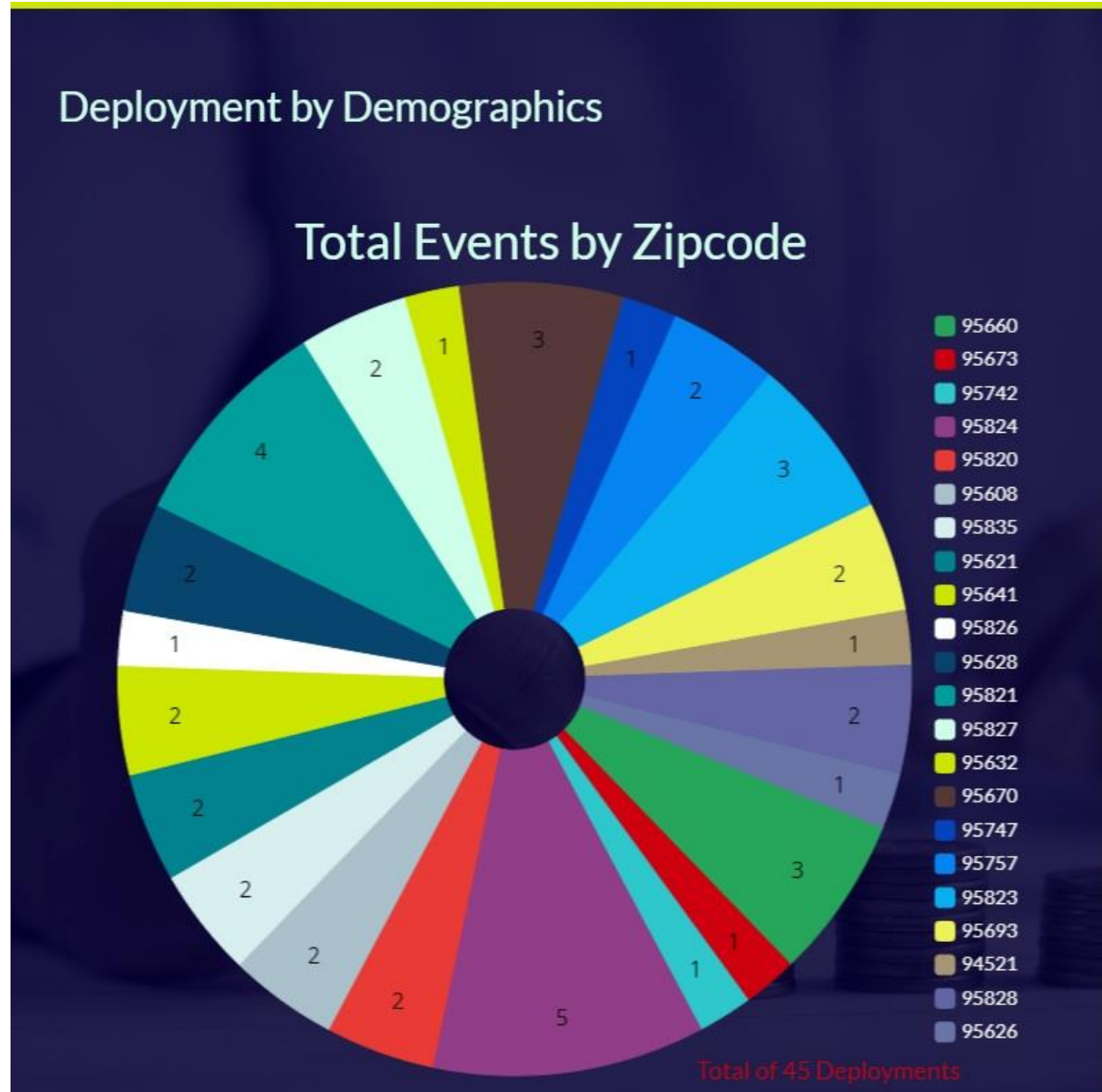
Special Enforcement Detail Deployments:

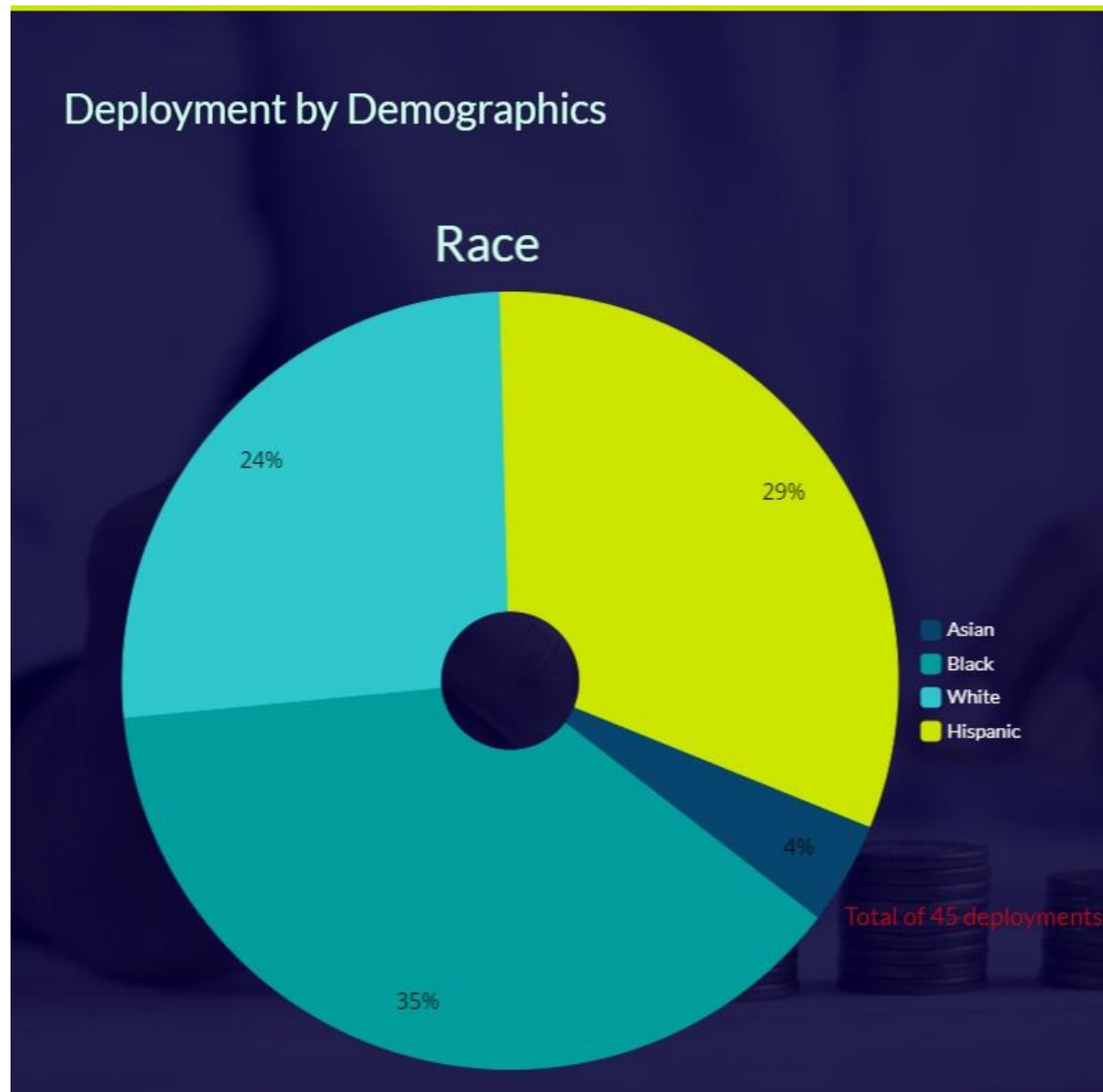


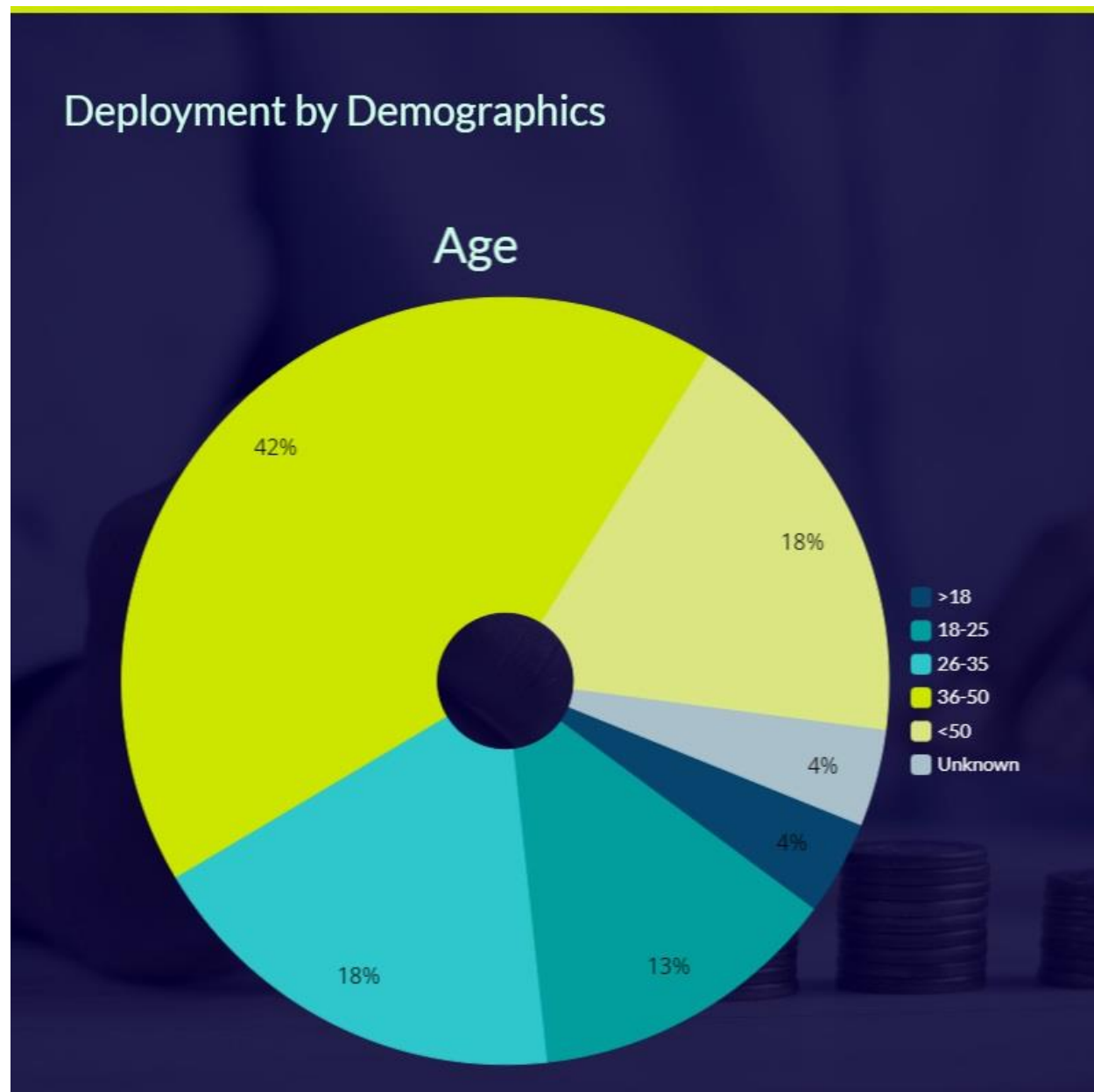
All SED Deployments of Equipment listed under AB481 are in conjunction with the service of a high-risk, Felony Search/Arrest Warrant.

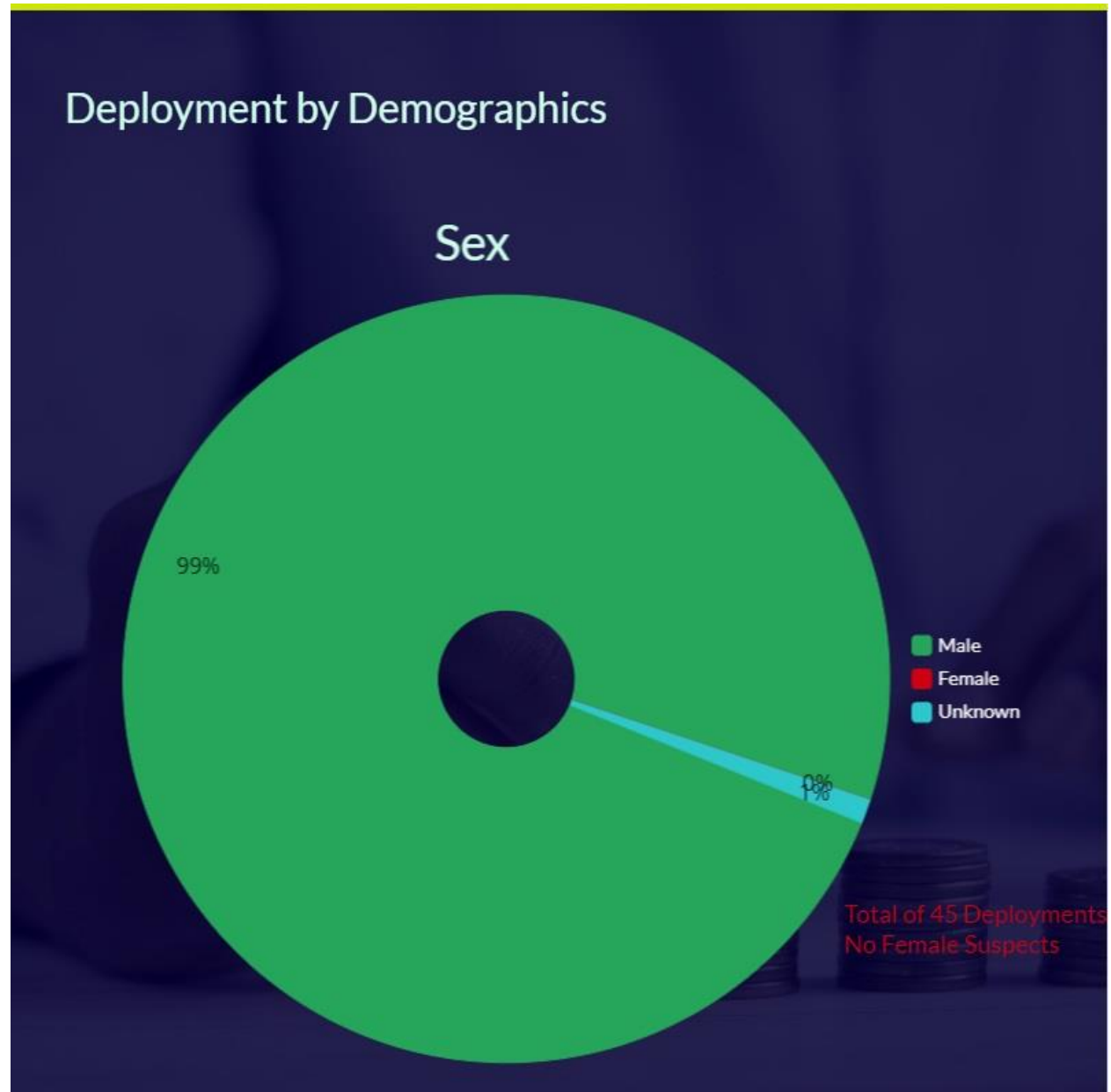
Reasons for Search/Arrest Warrant



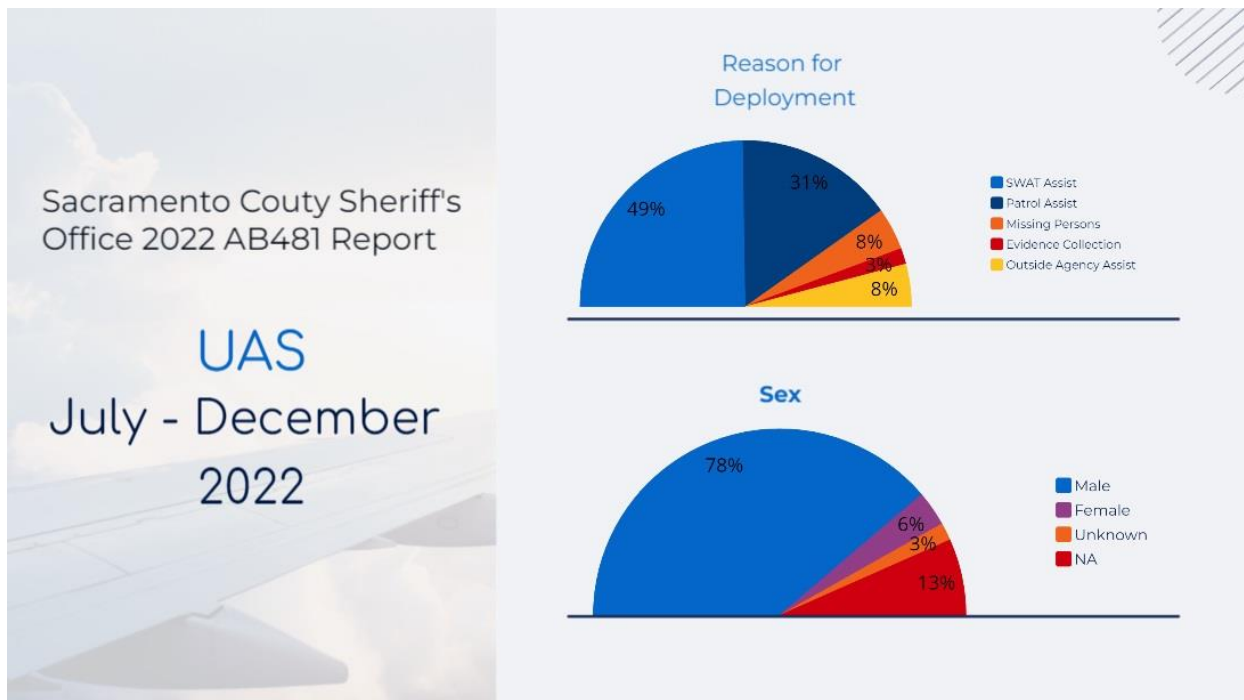
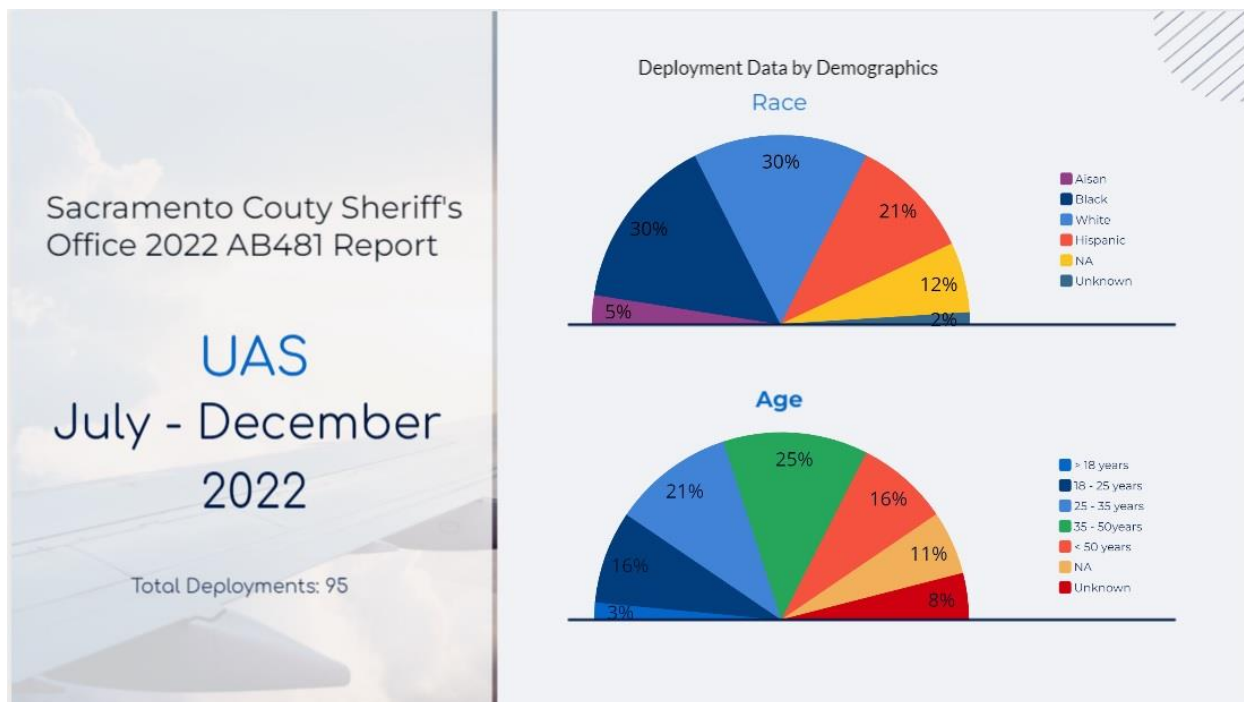








Unmanned Aircraft System (UAS) Deployments:



ITEM 9.7.

Sacramento County Sheriff's Office

ATTACHMENT 3

Military Equipment Use Report 2023



MEMORANDUM



ITEM 9.8.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Albert Stricker, Public Works Director
Steve Harriman, Public Works Division Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 153-2019-2 WITH R3 CONSULTING GROUP INC. FOR ON-CALL SOLID WASTE CONSULTING SERVICES TO EXTEND THE TERM FROM JUNE 30, 2024, TO JUNE 30, 2026, AND INCREASE THE CONTRACT BUDGET FROM \$777,400 TO AN AMOUNT NOT TO EXCEED \$1,277,650**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract Amendment No. 153-2019-2 with R3 Consulting Group Inc. (R3) for on-call solid waste consulting services to extend the term from June 30, 2024, to June 30, 2026, and increase the contract budget from \$777,400 to an amount not to exceed \$1,277,650.

BACKGROUND

In 2019, the Public Works Department completed a competitive procurement process to select a consulting firm to provide on-call solid waste consulting services, and R3 Consulting Group Inc. (R3) was selected at the conclusion of the process. On October 1, 2019, the City and R3 executed Contract No. 153-2019 in the amount of \$412,500 to provide on-call solid waste consulting services through June 30, 2022. On May 2, 2022, the City and R3 executed the first amendment to extend the term through June 30, 2024, which resulted in an increase to the contract budget to an amount not to exceed \$777,400.

On January 17, 2023, the City Council directed staff to administer a competitive procurement process for the residential solid waste collection and street sweeping franchise agreement beginning January 1, 2025. R3 has assisted with the development of the procurement documents and draft franchise agreement, evaluation of proposals, hauler interviews, financial analyses of alternate rate structures, preparation of presentations and staff reports to the City Council, etc. In addition, R3 will assist with various tasks related to the execution and implementation of the new contract. The proposed second amendment increases the Fiscal Year 2023/24 budget by \$137,500, from \$195,000 to \$332,500, to cover the additional cost of the procurement assistance provided by R3. The proposed second amendment also extends

the contract term from June 30, 2024, to June 30, 2026, and increases the total contract budget from \$777,400 to an amount not to exceed \$1,277,650.

The on-call solid waste consulting services also includes ongoing administration of the residential and commercial solid waste and recycling franchise agreements, preparation of monthly and annual reports to CalRecycle, implementation assistance and monitoring for mandatory residential, commercial and multifamily recycling and organics programs, monitoring and auditing of residential and commercial franchise fees paid to the City, implementation and management of the City Hall recycling demonstration project, public education and outreach assistance, grant administration, participation in regional meetings with other local agencies, and administration of the City's construction and demolition recycling program.

FISCAL IMPACT AND FUNDING SOURCE

This contract is funded through the Public Works operating budget and has no impact on the General Fund. The successful proposer for the residential solid waste collection and street sweeping franchise will pay \$150,000 to the City within sixty (60) days of execution of the new agreement to cover the consulting costs incurred by the City during the competitive procurement process.

ATTACHMENT(S)

1. Resolution
2. R3 Contract Amendment No. 153-2019-2

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 153-2019-2 WITH R3 CONSULTING GROUP INC. TO EXTEND THE TERM FROM JUNE 30, 2024, TO JUNE 30, 2026, AND INCREASE THE CONTRACT BUDGET FROM \$777,400 TO AN AMOUNT NOT TO EXCEED \$1,277,650

WHEREAS, the City and R3 Consulting Group Inc. (R3) entered into a Professional Services Agreement (PSA), Contract No. 153-2019, dated October 1, 2019, for the provision of on-call solid waste consulting services; and

WHEREAS, the Parties executed the first Amendment to the PSA on May 2, 2022, to extend the term from June 30, 2022, to June 30, 2024, which resulted in an increase to the contract budget from \$412,500 to an amount not to exceed \$777,400; and

WHEREAS, this second Amendment extends the term from June 30, 2024, to June 30, 2026, and increases the contract budget from \$777,400 to an amount not to exceed \$1,277,650; and

WHEREAS, this amendment will allow R3 Consulting Group to continue to provide on-call solid waste technical consulting services and assist the City with implementation of new programs, administration of multiple solid waste franchise agreements, the procurement and implementation of the new residential solid waste collection franchise beginning January 1, 2025, grant administration, preparation of monthly and annual reports to regulatory agencies, enforcement efforts, and public educational and outreach; and

WHEREAS, those services will exceed the maximum amount the City Manager is authorized to approve.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract Amendment No. 153-2019-2 with R3 Consulting Group Inc. in a form approved by the City Attorney to extend the contract term from June 30, 2024, to June 30, 2026, and increase the contract budget from \$777,400 to an amount not to exceed \$1,277,650.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM 9.8.

ATTACHMENT 1

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF RANCHO CORDOVA AND R3 CONSULTING GROUP INC. FOR
ON-CALL SOLID WASTE CONSULTING SERVICES**

This Second Amendment to the Agreement for Professional Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and R3 Consulting Group Inc. ("Professional") as of December 4, 2023. City and Professional are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, the Parties entered into a Professional Services Agreement ("PSA") dated October 1, 2019 for the purpose of providing on-call solid waste consulting services; and

WHEREAS, the Parties executed the first Amendment to the PSA on May 2, 2022 to extend the term from June 30, 2022 to June 30, 2024, which resulted in an increase to the contract budget from \$412,500 to an amount not to exceed \$777,400; and

WHEREAS, this second Amendment extends the term from June 30, 2024 to June 30, 2026, and increases the contract budget from \$777,400 to an amount not to exceed \$1,277,650; and

WHEREAS, professional will continue to assist with the administration of the City's solid waste programs, including implementation of new services and management of multiple contracts, the procurement and implementation of the new residential solid waste collection franchise, grant administration, reporting requirements, enforcement efforts and educational campaigns; and

WHEREAS, this Amendment will allow Professional to continue to provide on-call solid waste consulting services to ensure excellent public services in Rancho Cordova and compliance with new and existing laws and regulations.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. The Parties agree to modify the end date of the PSA from June 30, 2024 to June 30, 2026. The first sentence of Section 1.1 of the PSA, "Term of Services" is amended to read as follows:

"The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2026, the date of completion specified in Exhibit A. Professional shall complete the work described in Exhibit A prior to that date; unless the term of the Agreement is otherwise terminated or extended, as provided in Section 8."

2. Section 2 of the PSA, "Compensation," provides for the City to pay Professional a sum not to exceed \$777,400 for the contract term. The Parties agree to amend Section 2 of the PSA in order to increase the contract amount. The first sentence of Section 2 of the PSA is amended to read as follows:

"City hereby agrees to pay Professional a sum not to exceed one million, two hundred and seventy seven thousand and six hundred and fifty dollars (\$1,277,650), notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

3. The document entitled "Scope of Services" attached hereto as **Exhibit A**, shall replace and supersede the PSA's **Exhibit A**.
4. The document entitled "Compensation Schedule," attached hereto as **Exhibit B**, shall replace and supersede the PSA's **Exhibit B**.
5. All other terms and conditions in the PSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.
6. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.
7. **Contract Administration.** This Agreement shall be administered by Steve Harriman ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Notices. Any written notice to R3 Consulting Group shall be sent to:
 R3 Consulting Group, Attn: Carrie Baxter
 1512 Eureka Rd, Suite 220
 Roseville, CA 95661
 Email Address (for Insurance Update Requests): cbaxter@r3cgi.com

Any written notice to City shall be sent to:

City of Rancho Cordova
 Attn: Steve Harriman, Public Works Department
 2729 Prospect Park Drive
 Rancho Cordova, CA 95670

IN WITNESS WHEREOF, the Parties have executed this Amendment on the day and year first above written.

CITY OF RANCHO CORDOVA

R3 CONSULTING GROUP

Micah Runner, City Manager

Garth Schultz, Principal

Date:_____

Date:_____

Attest:

Stacy Leitner, City Clerk

Date:_____

Approved as to Form:

October 25, 2023

Mr. Steve Harriman
Operations and Maintenance Division Manager
City of Rancho Cordova, Public Works
2729 Prospect Park Drive, Rancho Cordova CA 95670
submitted via email: sharriman@cityofranhocordova.org

SUBJECT: On-Call Consulting Services for Fiscal Years 2024/25 & 2025/26 – R3 Proposal

Dear Mr. Harriman,

R3 Consulting Group Inc., (R3) is pleased to submit this proposal to continue our 20-year relationship with the City of Rancho Cordova (City) for On-Call Solid Waste Consulting Services, Fiscal Years 2024/25 and 2025/26. The City's solid waste staffing needs covers a range of tasks that support contract administration and compliance for both the exclusive residential collection franchise and non-exclusive commercial franchise agreements. As such, R3 will provide expert knowledge and technical assistance to aid in program development and success in all areas of the City's solid waste management program.

Our team is uniquely qualified to provide the requested services for the City, in that we have been at the forefront of the City's recycling and organics collection services are implemented and we also have the ability to leverage our work efforts with neighboring communities. In addition to the City, R3 has been guiding the nearby jurisdictions of Citrus Heights, Dixon, Elk Grove, and Folsom with SB 1383 compliance planning and implementation. We are also working throughout the State to procure new solid waste collection services through a competitive process. Most recently for the City of Rosemead, R3 led the team in procuring new solid waste collection services with a focus on compliant organic collection programs through a competitive process – yielding unanimous City Council approval.

Project Team

Carrie Baxter will continue to serve as the City's Project Lead and primary point of contact. She will be responsible for overseeing the team, providing analytical review, and leading stakeholder engagement and presentations. Carrie will be directly supported by **Scott Hanin, William Schoen, Peggy Paulsen, Jordan Muratsuchi, Sarah Koplowicz, and Angela Micheletti**. They are experienced consultants, talented in understanding regulatory requirements, and will provide key analytical support. Additional support staff will be used as necessary throughout this engagement.

* * * * *

We appreciate the opportunity to continue to be of service to the City. Should you have any questions regarding our proposal or need any additional information, please don't hesitate to reach out directly.

Sincerely,



Carrie Baxter | Sr. Managing Consultant
R3 Consulting Group, Inc.
916.878.7413 | cbaxter@r3cgi.com

1. SCOPE OF WORK

Project Understanding

The City's solid waste staffing needs covers a range of tasks that support contract administration and compliance for both the exclusive residential collection franchise and non-exclusive commercial franchise agreements. As such, R3 will provide expert knowledge and technical assistance to aid in program development and success in all areas of the City's solid waste management program.

R3's goal for this engagement is to provide a turn-key solution to the City's solid waste management program, in collaboration with City staff. We will verify that the City's franchised haulers operate safely and effectively, that they comply with their contractual obligations, and that the City complies with all relevant laws and regulations. As the City's consultant, R3 will determine if the franchised haulers are contractually compliant through monthly and quarterly contract assessments and recommend any necessary corrective actions. R3 will also assist in maintaining the City's compliance with the state by preparing required reports, communicating with CalRecycle, training City staff on processes and procedures, and performing all obligations as set by the governing entities.

Scope of Work

Task 1 Contract Administration for Residential Services

The City's current residential franchise agreement expires on December 31, 2024. R3 will act as City staff and assume responsibility for the tracking and on-time submittal of all reports and required deliverables, per the residential Agreement. Our team will assist the City in monitoring Republic's residential programs and contractual obligations and remain accessible to all residential customers to provide guidance on disposal, recycling, and proper solid waste management. We will schedule monthly meetings with Republic and prepare agenda items to review contract compliance components, tonnage and diversion reports, and any current and upcoming solid waste activities. As needed at each meeting, R3 will track the hauler's compliance with the requirements set forth in the Agreement through a Contract Compliance Monitoring Schedule.

We will perform data analysis to verify Republic's compliance with mandatory diversion quotas, conduct assessments on under-performance, identify errors, and discuss data anomalies. Our staff will act as oversight for the City, provide recommended actions to address non-compliance, assist in Agreement amendments, perform operations and performance reviews, assess liquidated damages, and provide technical assistance in areas that may require additional service, such as education and outreach and Proposition 218 processes.

In addition to the above contract administration assistance and following the outcome of the current competitive procurement for a new residential franchise agreement service provider, R3 will continue to provide essential support to City staff through the transition of collection services under the new agreement. Our team will work closely with City staff and the selected hauler to help mitigate disruption to the residents.

During the transition period following the new agreement award through December 2024, we propose up to two weekly virtual meetings (once per month in person) with the selected hauler and City staff. The structure and timeline associated with these meetings may change as directed by City.

During and after meetings and conference calls, R3 will develop, regularly update, and share with the City and hauler progress related to ongoing task requirements, responsible parties, and timeline for implementation.

The agenda for each meeting is subject to change but will generally focus on:

- » Confirming that responsible parties have made sufficient process on identified tasks.
- » Determining the appropriate course of action if sufficient process has not been made.

- » Discussing and determining the appropriate course of action for new tasks (previously unidentified) if and when they arise.
- » Confirming the next steps in the implementation schedule and ensuring that all parties are aware of each parties' roles and responsibilities.

Task 2 Contract Administration for Commercial Services

The City's current non-exclusive commercial agreements expire on December 31, 2025. Along with City staff, R3 will support the implementation and oversight of the commercial waste haulers' contract compliance efforts. As such, R3 is prepared to assist the City in the tasks outlined below.

Task 2.1 Commercial Hauler Contract Compliance Monitoring

The haulers are required to meet an annual 30% diversion rate, conduct contamination audits, and submit diversion reports to the City on a quarterly basis showing material types, tonnages, diversion rate, and end-destinations of materials. This is an integral component of the City's overall strategy to comply with the 50% diversion mandates of AB 939. In addition, the City's municipal code now requires all new accounts to be set up with garbage, recycling, and organic waste collection services unless they have been provided with a waiver from the City. The haulers are required to submit a quarterly generator report to show their compliance with this requirement.

As such, R3 will continue to track this information in a commercial Contract Compliance Monitoring workbook to support the City's solid waste management efforts and monitor the waste haulers' performance. R3 will provide recommendations and assist in preparation of amendments to the Agreements, assessing liquidated damages, identifying data anomalies, and providing recommended actions for compliance monitoring.

Task 2.2 Commercial Hauler Payment Monitoring

R3 will review monthly franchise fee reports submitted to the City by the haulers and perform monitoring and tracking services for future potential financial review.

Task 2.3 On-Going Technical Assistance

With many new state regulations, R3 will continue to provide ongoing individualized technical assistance to all businesses to increase compliance with recycling and organics collection services. This includes developing new outreach materials (fliers, posters, brochures, doorhangers, etc.), returning customer calls, attending site visits, and responding to emails.

R3 will continue to monitor and manage the City's mandatory commercial and multi-family recycling programs to aid the City in complying with all legislative requirements including AB 341, AB 1826, and SB 1383. R3 will review covered generator reports for completeness and accuracy and discuss current program effectiveness with the commercial haulers at quarterly meetings. R3 is prepared to organize and host educational meetings with City staff to provide expert knowledge on recycling and collaborate with all applicable staff departments to support the success of the City's food waste collection program.

In addition, we will continue to review and assist in the development of educational materials for recycling education, prepare enforcement letters, and assist in preparing mailers to address covered generator non-compliance. We will act as the primary resource to assist the City in any upcoming program implementation involving future legislative requirements and provide recommended actions to effectively improve the City's legislative compliance program to meet statewide goals.

Task 3 Prepare, Monitor, & Manage Grants

R3 will assist the City by managing and administering current grant programs and submitting reports to the applicable grant agencies. R3 will prepare the grants for the SB 1383 Local Assistance Grant

Program, Used Oil Payment Program, City/County Payment Program, and Household Hazardous Waste Program, as requested, or needed by the City. R3 will stay up to date on all current and upcoming grant cycles, maintain knowledge of all new and existing grants, and provide necessary recommendations.

Task 4 Construction and Demolition (C&D) Debris Program

R3 will assist the City in monitoring and compliance with the City's C&D Debris Reduction, Reuse, and Recycling Ordinance, commercial Agreement diversion requirements, and those portions of the California Green Building Standards Code (CalGreen) related to the disposal and diversion of C&D from covered projects. R3 will assume responsibility for monitoring and tracking disposal of all loads of C&D to verify compliance with the City's mandatory Ordinance, collaborate with applicable staff departments, assist in administering penalties, and provide support for education and outreach.

Task 5 AB 939 Annual Report Preparation and CalRecycle Coordination

R3 will complete and file all reports required by CalRecycle to support the City's compliance with the state's 50% AB 939 diversion goals. R3 will prepare the Electronic Annual Report to describe the activities undertaken through the programs adopted in the City's Source Reduction and Recycling Element and Household Hazardous Waste Element. We will also prepare any additional required reports to meet SB 1383 requirements.

Additionally, R3 will prepare and submit the following reports: Form 303 Household Hazardous Waste; Used Oil Payment Program Expenditure Report; and the City/County Payment Program Expenditure Report. R3 will track legislation and anticipated State of California regulations that impact the City's recycling and waste reduction program successes. R3 will participate in meetings with CalRecycle, as well as assume responsibility for all ongoing communication with the City's local assistance and market development representatives.

Task 6 Regional Commercial Waste Hauler Audits

R3 will assist the City in performing the joint Sacramento County hauler audits, if requested by the City. This will entail determining the proper payment of fees and/or the accuracy of reported tonnages.

If this action is requested, R3 will audit the following items submitted by each hauler:

- » The franchisee's quarterly franchise fee payments for a specified quarter.
- » The franchisee's diversion and disposal tonnage records for the same quarter.
- » The franchisee's compliance with Sacramento County Code.

Task 7 Regional Meetings

R3 will attend the monthly meetings of the Solid Waste Working Group (SWWG) on behalf of the City of Rancho Cordova to monitor regional solid waste issues.

Task 8 Procurement Assistance

On January 17, 2023, City Council directed City staff to prepare and release a Request for Proposals (RFP) document, which would allow multiple waste hauling companies to compete for a new residential agreement beginning January 1, 2025.

Our approach to conducting procurement projects is structured and orderly and follows a well-tested methodology. R3 will prepare a draft franchise agreement for the City. The draft agreement will be included as part of the RFP packet that R3 develops. Proposers will be required to identify exceptions they take to the draft language and offer acceptable alternative language for the City's consideration. The City will not, however, be required to accept any proposed exception.

R3 will also provide the following services as part of the procurement process:

- » Develop a list of haulers to receive the RFP.
- » Assist the City staff in preparing written responses to questions submitted regarding the RFP and preparing addenda as necessary.
- » Conducting a technical evaluation of proposals and work with, but not part of, the Evaluation Team.
- » Participate in interview with proposers.
- » Support City staff in their negotiations with selected proposers.
- » Support City staff as they prepare staff reports and presentations.
- » Support City staff in finalizing the resultant agreement with the selected proposer.
- » Support City staff in presenting recommendations to the City Council.

Task 8.1 Develop a New Agreement

Using our experience bringing California municipalities into compliance with CalRecycle requirements, and with our understanding of recent state legislation, R3 will advise the City on the latest solid waste trends as it pertains to both franchised services and the Agreement development. R3 will draft the new Agreement incorporating the information gathered in prior tasks. Because we are currently developing similar agreements for several clients, we can include the current industry standards and best practices for items such as performance bonds, indemnification, insurance, liquidated damages and reporting and record keeping requirements. The new Agreement will also include detailed performance requirements that establish minimum service standards for inclusion in the Agreement that are both quantifiable and easily measured to verify compliance.

Performance requirements may include, but are not necessarily limited to, the following:

- » Disposal and processing facility requirements.
- » Minimum waste diversion requirements.
- » Collection vehicle emissions standards and requirements.
- » Collection vehicle weight, size, and noise limitations.
- » Specifications for container size, color, and labeling.
- » Public education program requirements (e.g., quarterly newsletter, annual campaigns, classroom presentations, etc.).
- » Collection and recycling services to City offices, facilities, and events.
- » Collection service hours.
- » Collection service quality standards.
- » Collection driver uniforms and identification badges.
- » Customer service standards.

Task 8.2 Prepare RFP Package**Qualifications and Recommended Eligible Service Providers**

As part of the RFP Package, R3 will prepare minimum qualifications regarding each potential service provider's capacity and capability to perform the requisite services during the contract term and any extension. These qualifications will be required to be submitted with the submittal of proposals from qualified collection contractors.

R3 has an extensive list of solid waste companies operating in California and nationally and will provide a mailing list to the City for consideration when sending out the RFP package. R3 will work with the City to publicize the availability of the RFP package and work with City staff to post the RFP on the City's preferred website.

As part of this task, we will provide an electronic version of the draft minimum qualifications to the City for comments. At City staff's preference and in conjunction with our bi-weekly virtual check-in meetings, we will be available to meet with City staff to address the City's comments. Following discussion with the City and using a single compiled document with comments from the City Contract Manager, R3 will compile our final minimum qualifications for incorporation into the RFP Package.

Prepare Criteria and Methodology to Evaluate Proposals.

R3 will prepare a written set of recommended evaluation criteria and a methodology for review and discussion with City staff. In R3's experience, the evaluation will include, but not be limited to, conducting an initial "pass-fail" review. We will provide an electronic version of the draft criteria and methodology to evaluate proposals to the City for comments. At City staff's preference and in conjunction with our regular virtual check in meetings, we will be available to meet with City staff to address the City's comments. Following discussion with the City and using a single compiled document with comments from the City Contract Manager, R3 will compile our final criteria and methodology to evaluate proposals for incorporation into the RFP Package and develop RFP Package.

R3 will develop an RFP package – this includes a draft RFP, a draft Agreement and cost forms for proposers to complete and the evaluation criteria and methodology. The draft RFP will specify minimum requirements and qualifications and will require proposers to submit work plans that specify how they will transition to new services, achieve diversion requirements, implement customer service programs, and promote public education activities. The RFP package will include current and historical waste data (tonnage and current account data).

Separate sections of the RFP may include, for example:

- » **Section A:** Introduction to the RFP, Instructions, Schedule, Procurement Goals and Objectives
- » **Section B:** Available Background Information, Demographic, Service Account Data (i.e., tonnage, number of accounts, historical operating information, and current services)
- » **Section C:** Overview of Requested Service Requirements
- » **Section D:** Response Format and Submittal Process, Qualification Requirements, Required Work Plans, and Proposed Rates
 - **Transition Plan:** Detailing the plans and schedule of events leading up to the provision of new services.
 - **Operations Plan:** Presenting specific collection and processing programs to be implemented in the City including vehicles, containers, route operations, facilities, safety, and reporting.
 - **Customer Service Plan:** Detailing specifically customer service operations.
 - **Diversion Plan:** Describing the diversion and sustainability programs associated with providing the requested services.
 - **Education and Outreach Plan:** Specifying methods and public education materials that will be used at program start-up and throughout the agreement term and any extensions.
 - **Financial Services Plan:** Access to capital, current financial statements, balance sheet, profit and loss statement and debt.
 - **Proposal Cost and Service Forms:** Excel worksheets for proposers to provide their proposed customer rates and supporting cost data.
- » **Section E:** Evaluation Selection Criteria and Evaluation Process
- » **Section F:** RFP Conditions, Communication Protocol for Contractors and the City, and Proposal Cost and Service Forms.
- » **Attachment 1:** Draft Solid Waste Agreement.

Finalize and Issue RFP and Agreement

Following City staff review, R3 will be available to meet with City staff and the City Attorney to address comments. Based on City direction, R3 will finalize the RFP package and provide the City with an electronic copy which can be used to present to City Council for review, if desired.

Conduct a Mandatory Pre-Proposal Meeting and Prepare the RFP

R3 will conduct a mandatory pre-proposal meeting with prospective proposers. The pre-proposal meeting will provide the opportunity for the City to review the RFP with prospective proposers and answer questions as appropriate. We will prepare written responses to questions raised before and during the pre-proposal meeting for submittal to all parties that attended the meeting. In addition, R3 will prepare addenda to the RFP as necessary.

Task 8.3 Evaluate Proposals

R3 will assist the City with the evaluation of up to four (4) proposals received in response to the RFP. The evaluation will include, but not be limited to, conducting an initial “pass-fail” checklist against RFP minimum requirements, and evaluating the proposers’ qualifications, references, processing and disposal facilities, approach to meeting the City’s diversion requirements, customer rates (prices), collection methods, customer service programs, financial statements, transition experience and work plans.

After the initial evaluation is completed, R3 will assist City staff prepare any written requests for clarification to the haulers, as necessary. In the event a proposal does not meet the minimum requirements of the RFP, we will recommend that the proposal be disqualified as non-compliant with the RFP requirements.

R3’s role in the evaluation process will also include facilitating the evaluation meetings and the proposer interviews. This will include preparing City staff in advance with questions to be asked to evaluate the information provided during interviews.

Separate sections of the evaluation analysis may include, for example:

- » Executive Summary: Introducing and summarizing the evaluation analysis and the recommendation.
- » Summary of RFP Responses
- » Reference Checks
- » Financial Capability
- » Technical Proposal: Work plans including Transition Plan and route design, operations and performance requirements, public safety plan, customer service plan, diversion and sustainability programs, education and outreach plan, and record-keeping and data management plan.
- » Customer Rate and Cost Proposals: Consistent with the proposed activities, proposed equipment, requested services, and work plans.
- » Enhanced Proposal Terms
- » Rate revenues to the hauler and City
- » Start-up capital costs

Following drafting the evaluation analysis, R3 will facilitate several meetings with City staff. Meetings will include (1) a summary of the proposals received, including any proposed enhancements; and (2) the results of the evaluation process.

Additional aspects of the evaluation process will include:

- » Prepare detailed evaluation report of recommended proposers.
- » Meeting with City staff to discuss evaluation criteria and select proposers to be selected for interviews.
- » Coordinate interviews with up to two (2) proposers, including scheduling and development of questions in consultation with City staff.
- » Up to four (4) meetings to provide a summary of the proposals received, including any proposed enhancements; and the results of the evaluation process.

Task 8.4 Agreement Negotiations

Based on direction from the City, R3 will confirm and clarify deal points, and lead Agreement negotiations with the top ranked proposer(s). Negotiations will focus on clarifying the proposer's services and cost proposal and incorporating any optional services as may be selected by City staff. This Task will include meetings with the City beforehand to confirm our approach for the negotiations. Our proposal assumes up to four (4) negotiation meetings with top ranked proposers, including pre- and post-discussions with City staff to confirm approach and recap as necessary.

Task 8.5 Finalize New Agreement and Present Recommendations to City Council

R3 will present, or assist staff in presenting, the results of the evaluation process to City Council, including recommendations made by the evaluation team. This will include a summary of the proposal process, proposals received, the evaluation process, and the results and recommendations for award of the Agreement.

Based on direction from City Council, we will incorporate any program changes or options selected by City Council and finalize the Agreement for finalist proposer to sign. This will include incorporating changes to the draft agreement through the issuance of addenda by the City, any final program options selected during the selection process, proposed rates, final work plans, exhibits, etc.

As needed, R3 will prepare a second presentation to City Council summarizing the evaluation process and recommendations for award based on program changes or options selected by City Council during the first presentation.

2. PROJECT BUDGET

The project budget includes an adjustment to our current contract budget for FY 2023-24 in the amount of \$137,500 to assist the City procure a new solid waste collection contract as described in Task 8 of the Scope of Work. It also includes a continuation of On-Call Consulting Services, as described in Tasks 1-7 for FY 2024-25, in the amount of \$209,050, and for FY 2025-26, in the amount of \$153,700. R3 proposes to complete the project for a total cost of **\$500,250**.

Additional consulting services beyond those proposed will be charged at the hourly billing rates shown in **Table 1**, below. Fees for work completed will be billed monthly at the first of each month, for the preceding month, and are due within 30 days of the invoice date.

Table 1: Standard Hourly Rates – FY 2024-25 & FY 2025-26

CLASSIFICATION	HOURLY RATE
Principal	\$ 275 per hour
Sr. Director	\$ 275 per hour
Director	\$ 230 per hour
Sr. Managing Consultant	\$ 230 per hour
Managing Consultant	\$ 200 per hour
Sr. Consultant	\$ 200 per hour
Consultant	\$ 180 per hour
Associate Consultant	\$ 160 per hour
Expert Witness	1.5x Rates Listed Above
REIMBURSABLE COSTS	
Consultants/Subcontractors	Cost plus 10%
Lodging and meals	Direct cost
Travel - <i>Private or company car</i>	At Current Federal Rate
Travel - <i>Other</i>	Direct cost
Delivery and other expenses	Direct cost

FISCAL YEAR 2023-24 (Amended)										
TASK		STAFF							BILLABLE HOURS	BILLABLE COST
		Principal / Sr. Director	Director / Sr. Managing Consultant	Managing Consultant / Sr. Consultant	Consultant	Sr. Designer Sr. Admin Support Project Analyst	Associate Consultant	Admin Support		
		G. Schultz S. Hanin W. Schoen	C. Baxter J. Howison N. Forst P. Benner R. Calkins R. Radford	A. Soulard C. Wilson J. Muratsuchi P. Paulsen	J. Barile M. Hulsman S. Koplowicz	N/A	A. Micheletti	N/A		
		\$ 275	\$ 230	\$ 200	\$ 180	\$ 170	\$ 160	\$ 130		
1	Contract Administration (Residential)		138		54	108			300	\$ 59,820
2	Contract Administration (Commercial)		12		12	342			366	\$ 63,060
3	Grant Management		20			62			82	\$ 15,140
4	C&D Program		12		48				60	\$ 11,400
5	CalRecycle Reporting and Coordination		22			38			60	\$ 11,520
6	Regional Commercial Waste Hauler Audits		72		12				84	\$ 18,720
7	Regional Meetings		24		24				48	\$ 9,840
8	Procurement Assistance	320	90	80			80		570	\$ 137,500
	Contingency								0	\$ 5,500

ITEM 9.8.

ATTACHMENT 2

Totals	320	390	80	150	550	80	0	1570	\$ 332,500
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FISCAL YEAR 2024-25										
TASK		STAFF							BILLABLE HOURS	BILLABLE COST
		Principal / Sr. Director	Director / Sr. Managing Consultant	Managing Consultant / Sr. Consultant	Consultant	Sr. Designer Sr. Admin Support Project Analyst	Associate Consultant	Admin Support		
		G. Schultz S. Hanin W. Schoen	C. Baxter J. Howison N. Forst P. Benner R. Calkins R. Radford	A. Soulard C. Wilson J. Muratsuchi P. Paulsen	J. Barile M. Hulsman S. Koplowicz	N/A	A. Micheletti	N/A		
		\$ 275	\$ 230	\$ 200	\$ 180	\$ 170	\$ 160	\$ 130		
1	Contract Administration (Residential)	10	200	15	100		30		355	\$ 74,550
2	Contract Administration (Commercial)		120		160		120		400	\$ 75,600
3	Grant Management		5		20		20		45	\$ 7,950
4	C&D Program		15		50				65	\$ 12,450
5	CalRecycle Reporting and Coordination		30		5		40		75	\$ 14,200
6	Regional Commercial Waste Hauler Audits		10		75				85	\$ 15,800
7	Regional Meetings		10		30		5		45	\$ 8,500
Totals		10	390	15	440	0	215	0	1070	\$ 209,050

FISCAL YEAR 2025-26										
TASK		STAFF							BILLABLE HOURS	BILLABLE COST
		Principal / Sr. Director	Director / Sr. Managing Consultant	Managing Consultant / Sr. Consultant	Consultant	Sr. Designer Sr. Admin Support Project Analyst	Associate Consultant	Admin Support		
		G. Schultz S. Hanin W. Schoen	C. Baxter J. Howison N. Forst P. Benner R. Calkins R. Radford	A. Soulard C. Wilson J. Muratsuchi P. Paulsen	J. Barile M. Hulsman S. Koplowicz	N/A	A. Micheletti	N/A		
		\$ 275	\$ 230	\$ 200	\$ 180	\$ 170	\$ 160	\$ 130		
1	Contract Administration (Residential)		50	50			30		130	\$ 26,300
2	Contract Administration (Commercial)		50		50		300		400	\$ 68,500
3	Grant Management		5		20		20		45	\$ 7,950
4	C&D Program		15		50				65	\$ 12,450
5	CalRecycle Reporting and Coordination		30		5		40		75	\$ 14,200
6	Regional Commercial Waste Hauler Audits		10		75				85	\$ 15,800
7	Regional Meetings		10		30		5		45	\$ 8,500
Totals		0	170	50	230	0	395	0	845	\$ 153,700

MEMORANDUM



ITEM 9.9.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Russell Ducharme, Neighborhood Services Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE SACRAMENTO COUNTY SHERIFF'S OFFICE FOR A TERM STARTING DECEMBER 1, 2023, AND ENDING JUNE 30, 2026, FOR THE SUPERVISION OF THE SHERIFF'S WORK PROJECT PROGRAM, INMATE CREW, FOR FLOOD CONTROL AND LANDSCAPING MAINTENANCE IN AN AMOUNT NOT TO EXCEED \$254,945**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of this Resolution would authorize the City Manager to execute a contract with the Sacramento County Sheriff's Office for a term starting December 1, 2023, and ending June 30, 2026, for the supervision of the Sheriff's Work Project Program, Inmate Crew, for flood control and landscaping maintenance in an amount not to exceed \$254,945.

BACKGROUND

The goal and purpose of executing this contract is to continue providing City and contract staff with resources to maintain and beautify public-owned property.

For the past eight years, the Sheriff's Work Project Program has provided flood control and landscaping maintenance to the City which includes weed abatement, landscape maintenance, and debris removal on an as-needed basis.

Staff is satisfied with the level of services and responsiveness that the Sheriff's Work Project Program has provided and wish to continue this partnership.

City staff recommends executing the contract agreement with the Sheriff's Work Project Program to continue providing landscaping maintenance and flood control services to City-owned properties and facilities.

FISCAL IMPACT AND FUNDING SOURCE

The new contract agreement with the Sheriff's Work Project Program will continue to provide landscaping maintenance and flood control services to City-owned properties and facilities.

ATTACHMENT(S)

1. Resolution
2. Contract No. 2023-258

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE SACRAMENTO COUNTY SHERIFF'S OFFICE FOR A TERM STARTING DECEMBER 1, 2023, AND ENDING JUNE 30, 2026, FOR THE SUPERVISION OF THE SHERIFF'S WORK PROJECT PROGRAM, INMATE CREW, FOR FLOOD CONTROL AND LANDSCAPING MAINTENANCE IN AN AMOUNT NOT TO EXCEED \$254,945

WHEREAS, on January 1, 2014, the City entered into a contract with the Sacramento County Sheriff's Office for the supervision of the Sheriff's Work Project Program, Inmate Crew, for flood control and landscaping maintenance; and

WHEREAS, the City is satisfied with the services provided by the Sacramento Sheriff's Office Work Project Program over the past eight years and wishes to continue to have the Work Project Program provide flood control and landscaping maintenance; and

WHEREAS, the City and the Sacramento Sheriff's Office have negotiated a new three-and-a-half-year contract for the Work Project Program to continue to provide these services to the City, and the cost agreement shall not exceed \$254,945 over the term of the contract.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager or his designee to execute Contract No. 2023-258 with the Sacramento County Sheriff's Office for a term starting December 1, 2023, and ending June 30, 2026, for the supervision of the Sheriff's Work Project Program, Inmate Crew, for flood control and landscaping maintenance for an amount not to exceed \$254,945.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

**REVENUE AGREEMENT BETWEEN CITY OF RANCHO CORDOVA AND
THE SACRAMENTO COUNTY SHERIFF'S OFFICE FOR SUPERVISION OF
WORK PROJECT PROGRAM INMATE CREW FLOOD CONTROL AND
LANDSCAPING MAINTENANCE**

THIS AGREEMENT is made and entered into as of this 1st day of December 2023, by and between the CITY OF RANCHO CORDOVA, a municipal corporation and charter city in the State of California, hereinafter referred to as "CITY", and the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY".

RECITALS

WHEREAS, CITY wishes to contract for supervision of Work Project Program inmate crew(s) from the COUNTY;

WHEREAS, the COUNTY wishes to provide supervision of Work Project Program inmate crew(s); and,

WHEREAS, CITY and COUNTY desire to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, CITY and COUNTY agree as follows:

I. SCOPE OF SERVICES

COUNTY shall provide services in the amount, type, and manner described in Exhibit A, which is attached hereto and incorporated herein.

II. TERM

This Agreement shall be effective December 1, 2023, and shall remain in effect until June 30, 2026, unless sooner terminated pursuant to the provisions of Section **XXI, TERMINATION**. This agreement may be renewed pursuant to Section **XXIV, RENEWAL**.

III. NOTICE

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO CITY

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

TO COUNTY

Sacramento Sheriff's Office
Attn: Commander
Work Release Division
700 N 5th St
Sacramento, CA 95811

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

IV. COMPLIANCE WITH LAWS

CITY and COUNTY shall observe and comply with all applicable Federal, State, and County laws, regulations, and ordinances.

V. GOVERNING LAWS AND JURISDICTION

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

VI. LICENSES AND PERMITS AND CONTRACTUAL GOOD STANDING

COUNTY shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Sacramento, and all other appropriate governmental agencies, including any certification and credentials required by COUNTY. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by CITY.

VII. PERFORMANCE STANDARDS

COUNTY shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to COUNTY'S services. It is agreed by the parties that COUNTY, in the performance

of services hereunder, is subject to the control or direction of CITY as to the designation and scheduling of tasks to be performed, but not as to the means and methods for accomplishing tasks. COUNTY shall retain full responsibility and authority to direct and control the activities of both the Sheriff's Deputies and the inmate workers, and to supervise and discipline said Deputies and inmates.

VIII. STATUS OF CONTRACTOR

- A. It is understood and agreed that COUNTY (including its employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. COUNTY'S assigned personnel shall be entitled to any benefits payable to employees of COUNTY. COUNTY is required to make any deductions or withholdings from the compensation payable to the County under the provisions of this agreement.
- B. If, in the performance of this agreement, any third persons are employed by COUNTY, such person shall be entirely and exclusively under the direction, supervision, and control of COUNTY. All terms of employment, including hours, working conditions, discipline, or any other terms of employment or requirements of law, shall be determined by COUNTY and shall have authority over such persons or the terms of such employment.
- C. It is further understood and agreed that as an employee of the COUNTY, assigned personnel shall be covered by worker's compensation; and shall be entitled to compensation according to the applicable COUNTY labor agreement payable by the County to employees of the COUNTY.
- D. Inmate Work Project program participants performing public service under the direction of a supervising Deputy Sheriff in conjunction with this agreement, are entirely under the direction, supervision, and control of the COUNTY. All terms of inmate public service, including hours, working conditions, discipline, or other terms of public service or requirements of law, including coverage by worker's compensation, shall be determined by COUNTY, and will be the responsibility of COUNTY.

IX. CONTRACTOR IDENTIFICATION

COUNTY shall provide the CITY with the following information for the purpose of compliance with California Unemployment Insurance Code section 1088.8 and Sacramento County Code Chapter 2.160: COUNTY'S

name, address, telephone number, employer identification number, and whether dependent health insurance coverage is available to COUNTY.

X. CONFLICT OF INTEREST

CITY and COUNTY officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this Agreement.

XI. INDEMNIFICATION

To the fullest extent permitted by law, each of the Parties shall indemnify, defend, and hold harmless each of the other Parties, their respective governing boards, officers, directors, officials, employees, and authorized volunteers and agents from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims"), including cost of defense, settlement, arbitration, and reasonable attorneys' fees, resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage to or destruction of property or loss of use thereof, including but not limited to the property of either Party hereto, arising out of, pertaining to, or resulting from the acts or omissions of their respective governing boards, officers, directors, officials, employees, volunteers, agents, or contractors.

It is the intention of the Parties that the provisions of this indemnity be interpreted to impose on each Party responsibility to the other for the acts and omissions of their governing boards, officers, directors, officials, employees, volunteers, agents, or contractors. It is also the intention of the Parties that, where the comparative fault is determined to have been contributory, principles of comparative fault will be followed and each Party shall bear the proportionate cost of any Claims attributable to the fault of that Party, its governing board, officers, directors, officials, employees, volunteers, agents, or contractors.

This indemnity shall not be limited by the types and amounts of insurance or self-insurance maintained by the Parties.

Nothing in this Indemnity shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this Indemnity shall survive the expiration or termination of the Agreement.

XII. INSURANCE

The COUNTY and CITY finance their liability, property, and worker's compensation risk through a combination of self-insurance and insurance. The COUNTY and CITY are knowledgeable of each entity's risk financing programs and agree to rely on these programs to pay for any liabilities, losses, costs, suits, claims, judgments, expenses, fines, or demands of any kind that may arise under the terms of this Agreement.

XIII. COMPENSATION AND PAYMENT OF INVOICES LIMITATIONS

- A. Compensation under this Agreement shall be limited to the Payment Amount set forth in Exhibit B. COUNTY agrees that all work provided by inmates is free of charge. Compensation is for supervision.
- B. COUNTY shall submit monthly invoices on the forms and in accordance with the procedures mutually agreed upon by CITY and COUNTY. Invoices shall be submitted to CITY no later than the fifteenth (15th) day of the month following the invoice period, and CITY shall pay COUNTY within thirty (30) days after receipt of an appropriate and correct invoice.
- C. COUNTY operates on a July through June fiscal year. Invoices for services provided in any fiscal year must be submitted no later than July 31, one month after the end of the fiscal year.
- D. COUNTY shall maintain for four years following termination of this agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; and applicable overhead and indirect expenditures.

XIV. SUBCONTRACTS, ASSIGNMENT

- A. COUNTY shall obtain prior written approval from CITY before subcontracting any of the services delivered under this Agreement. COUNTY remains legally responsible for the performance of all contract terms including work performed by third parties under subcontracts.

Any subcontracting will be subject to all applicable provisions of this Agreement.

- B. This Agreement is not assignable by COUNTY in whole or in part, without the prior written consent of CITY.

XV. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon the COUNTY unless agreed in writing by the DIRECTOR and counsel for the COUNTY.

XVI. SUCCESSORS

This Agreement shall bind the successors of CITY and COUNTY in the same manner as if they were expressly named.

XVII. TIME

Time is of the essence of this Agreement.

XVIII. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

XIX. DIRECTOR

As used in this Agreement, "DIRECTOR" shall mean the Sacramento County Sheriff or his/her designee.

XX. DISPUTES

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. If the dispute cannot be resolved by mutual agreement, nothing herein shall preclude either party's right to

pursue remedy or relief by civil litigation, pursuant to the laws of the State of California.

XXI. TERMINATION

- A. CITY or COUNTY may terminate this Agreement without cause upon thirty (30) days written notice to the other party. Notice shall be deemed served on the date of mailing.
- B. If this Agreement is terminated under paragraph A, CITY shall only pay for any services completed and provided prior to notice of termination. In the event of termination under paragraph A, COUNTY shall be paid an amount which bears the same ratio to the total compensation authorized by the Agreement as the services actually performed bear to the total services of COUNTY covered by this Agreement, less payments of compensation previously made
- C. COUNTY shall not incur any expenses under this Agreement after notice of termination and shall cancel any outstanding expense obligations to a third party that COUNTY can legally cancel.

XXII. AUDITS AND RECORDS

Upon CITY'S request, CITY or its designee shall have the right at reasonable times and intervals to audit, at COUNTY'S premises, COUNTY'S financial and program records as CITY deems necessary to determine COUNTY'S compliance with legal and contractual requirements and the correctness of claims submitted by COUNTY. COUNTY shall maintain such records for a period of four years following termination of the Agreement and shall make them available for copying upon CITY'S request at CITY'S expense.

XXIII. PRIOR AGREEMENTS

This Agreement constitutes the entire contract between CITY and COUNTY regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between CITY and COUNTY regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

XXIV. RENEWAL

This agreement may be renewed for two one-year periods, for a total not to exceed 5 years, by mutual agreement of the CITY and the DIRECTOR, on behalf of COUNTY in writing.

XXV. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

XXVI. AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

XXVII. ADDITIONAL PROVISIONS

The additional provisions contained in Exhibits A and B are attached hereto are part of this agreement and are incorporated herein by reference.

XXVIII. OPERATIONAL ISSUES

Day-to-day operational issues should be directed as follows:

CITY:

Logistics Manager
808-6276

COUNTY:

Sheriff's Work Release Facility
Field Coordinator, 874-1466
Field Ops Supervisor, 874-2419
Division Commander 874-1414

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

CITY OF RANCHO CORDOVA, a
municipal corporation and
charter city in the
State of California

COUNTY OF SACRAMENTO, a
political subdivision of the
State of California

By: _____
MICAH RUNNER, City Manager

By: _____
JIM COOPER, Sheriff

Date: _____

Date: 11/28/2023

Authorized on behalf of County by Board Resolution: 2023-0921

APPROVED AS TO FORM:

By: _____
Deputy City Attorney

By: _____
Deputy County Counsel

Date: _____

Date: 11-29-2023

**EXHIBIT A to Agreement Between
CITY OF RANCHO CORDOVA,
hereinafter referred to as "CITY"
and the COUNTY OF SACRAMENTO,
hereinafter referred to as "COUNTY"**

SCOPE OF SERVICES

I. SERVICE LOCATION(S)

Throughout the City of Rancho Cordova

II. DESCRIPTION OF SERVICES

COUNTY agrees to assign one inmate work crew, up to six days a month, unless, otherwise mutually agreed upon.

Each crew shall be supervised by a Deputy Sheriff or an on-call Deputy Sheriff, to perform cleanup, maintenance, landscaping, and other appropriate tasks in and around CITY and other facilities operated by the Drainage Collection Department.

It is understood and agreed that such assignment of a Deputy Sheriff or on-call Deputy Sheriff and/or inmates may be limited by factors beyond the control of the COUNTY. Such factors include but are not limited to, the availability of a Deputy Sheriff or on-call Deputy Sheriff and/or inmates with the appropriate custody classification.

COUNTY shall supply inmate transportation to work sites and all necessary tools and equipment.

**EXHIBIT B to Agreement Between
CITY OF RANCHO CORDOVA,
hereinafter referred to as "CITY"
and the COUNTY OF SACRAMENTO,
hereinafter referred to as "COUNTY"**

BUDGET REQUIREMENTS

I. COMPENSATION TO CONTRACTOR

- FY 2023-24: Daily rate for supervision, per work crew, per eight (8) hour day is \$1123.20. Total Maximum Payment for December 1, 2023, through June 30, 2024, is \$80,870.40.
- FY 2024-25: Daily rate for supervision, per work crew, per eight (8) hour day is \$1179.36. Total Maximum Payment for July 1, 2024, through June 30, 2025, is \$84,913.92.
- FY 2025-26: Daily rate for supervision, per work crew, per eight (8) hour day is \$1238.33. Total Maximum Payment for July 1, 2025, through June 30, 2026, is \$89,159.76.

If this agreement is renewed for the optional two one-year periods, the rates will increase as follows:

- FY 2026-27: Daily rate for supervision, per work crew, per eight (8) hour day is \$1,300.25. Total Maximum Payment for July 1, 2026, through June 30, 2027, is \$93,618.
- FY 2027-28: Daily rate for supervision, per work crew, per eight (8) hour day is \$1,365.26. Total Maximum Payment for July 1, 2027, through June 30, 2028, is \$98,298.72.

The County reserves the right to raise the daily rate for supervision to match the average Work Release Deputy salary at the beginning of each fiscal year. This will only be done through mutual agreement with the CITY.

It is understood and agreed that the figures provided are the maximum per year and that CITY will pay for services actually rendered.

MEMORANDUM



ITEM 9.10.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Ka Vang, Management Technician
Stefan Heisler, Housing Manager
SUBJECT: **A RESOLUTION DECLARING CITY-OWNED PROPERTY AT 2875 KILGORE ROAD, APN 072-0490-024, AS SURPLUS LAND AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH THE SURPLUS LAND ACT PROCESS FOR SITE DISPOSITION**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would declare the City-owned property at APN 072-0490-024 to be surplus and authorize the City Manager to prepare and send all notices required by State law related to the declaration of the above-identified surplus property and follow the State Surplus Land Act process for disposition of the site.

BACKGROUND

The Surplus Lands Act (SLA) of California (Government Code Section 54221) requires that a city must declare property to be "surplus land" before a city can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency's use, including that according to a local agency's plan, and including but not limited to, utility sites or land used for conservation purposes.

In the fall of 2019, Assembly Bill No. 1486 amended the SLA to address the current housing crisis by promoting the construction of affordable housing on surplus land. The amendment also connects affordable housing developers to local surplus land through a notification process, and strengthens enforcement of the SLA by requiring reporting of surplus land inventory to the California Department of Housing and Community Development (HCD). The amended law became effective on January 1, 2020.

DISCUSSION

The City-owned property at 2875 Kilgore Road, APN 072-0490-024, is a vacant, approximately 12.58-acre site, zoned Office Professional Mixed-Use (OPMU). The OPMU zone allows residential uses, only in conjunction with the office uses (the predominant zoning use), with a minimum of 10 dwelling units per acre and maximum of 40 dwelling units per acre. This site is

not identified for housing in the City's 2021-2029 Housing Element Regional Housing Needs Assessment (RHNA) site inventory.

The SLA notification process requires a city to send a written Notice of Availability of surplus land to HCD, other public agencies whose jurisdiction the surplus land is located within, and prospective affordable housing developers that have notified HCD of their interest in surplus land that is in the county in which the surplus land is located, or all counties.

Noticed agencies and registered housing developers have 60 days from the date of notice to express interest in the property. If any registered housing developers notify the city of their interest to purchase the property, a city must select at least one interested party and negotiate in good faith with that party for a minimum of 90 days.

A city is not required to sell the land to the interested party. If terms are not agreed upon between the interested party and the city within the 90-day period of good-faith negotiations, the city may negotiate with any other developers or interested parties for the disposition of surplus land outside of the SLA. If a property is disposed of outside the SLA and more than 10 residential units are developed on the property, not less than 15% of the residential units developed on the property must be sold or rented as affordable housing at 70% area median income for owner-occupied units or 60% area median income for rental units.

The proposed declaration of surplus land does not authorize the sale or lease of the affected properties. Once the above process is complete, individual property transactions are required to come before the City Council for approval.

If an agency fails to provide the proper notices, there is a significant penalty that requires a local agency to forfeit 30% of the purchase/lease proceeds or appraised value, whichever is higher, for the first violation and 50% for any subsequent violations. Funds forfeited may be deposited into the city's Housing Trust Fund.

ENVIRONMENTAL ANALYSIS

The proposed action will not cause a direct physical change in the environment, and therefore, does not constitute the approval of a project under the California Environmental Quality Act (CEQA) and is therefore exempt from CEQA.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Resolution
2. Site Diagram

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, DECLARING THE CITY-OWNED PROPERTY AT
APN 072-0490-024 ON KILGORE ROAD AS SURPLUS LAND AND AUTHORIZING THE
CITY MANAGER TO PROCEED WITH THE SURPLUS LAND ACT PROCESS
FOR SITE DISPOSITION**

WHEREAS, the Surplus Land Act (SLA) requires that before a local agency takes any action to sell or lease its property, it must declare the property to be “surplus land”; and

WHEREAS, “surplus land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular meeting declaring that such land is surplus and is not necessary for the agency’s use; and

WHEREAS, the agency must give written notice of its availability to any local public entity, including schools and park districts, within whose jurisdiction the property is located, as well as to housing sponsors that have notified the California Department of Housing and Community Development (HCD) of their interest in surplus property; and

WHEREAS, the City of Rancho Cordova (City) owns the 12.58-acre property located at 2875 Kilgore Road, APN 072-0490-024 (Property); and

WHEREAS, the City Council finds that the City-owned Property is surplus land because it is not necessary for the local agency’s use, as described in Government Code Section 54221(c)(1); and

WHEREAS, the SLA requires that before the City Council disposes of the Property or engages in negotiations to dispose of the Property, the City shall send a written Notice of Availability of the property to certain designated entities.

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

1. Finds the above recitals are true and correct and are a substantive part of this Resolution.
2. Declares that the Property is surplus land and not necessary for the City’s use, as described in Government Code Section 54221(c)(1).
3. Authorizes the City Manager to proceed with the SLA process for the Property.
4. Authorizes the City Clerk to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

ITEM 9.10.

ATTACHMENT 1

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

David Sander, Mayor

Surplus Property	
Property Address	2875 Kilgore Road, Rancho Cordova, CA 95670
Assessor Parcel No.	072-0490-024
Lot Size	12.58 Acres
Lot Dimensions	See site map below
Zoning	Convention Overlay
General Plan Designation	OPMU
Minimum Density Allowed	10 dwelling units/acre
Maximum Density Allowed	40 dwelling units/acre
Current Use	Vacant
Additional Information	1. Residential is only allowed in conjunction with the predominant use of the mixed-use district. 2. There is a significant Regional Sanitation District sewer easement that runs through the site, shown in red below.



MEMORANDUM



ITEM 9.11.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Micah Runner, City Manager
SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING THE FIFTH AMENDMENT TO THE FIRST RESTATED AGREEMENT FOR LEGAL SERVICES BETWEEN THE CITY AND MEYERS NAVE**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would approve the Fifth Amendment to the First Restated Agreement for Legal Services ("Amended Agreement") with Meyers Nave. The Amended Agreement increases compensation for litigation services.

BACKGROUND

Meyers Nave has served as the City Attorney for Rancho Cordova since the City's incorporation in 2003. Meyers Nave capably serves in both advisory and as the lead litigation attorneys for the City. The City currently faces a number of lawsuits and potential lawsuits. This Fifth Amendment would increase the City Attorney's current rates for litigation services to a rate of \$575 per hour for Senior Principals, \$525 for Principals and Of-Counsel Attorneys; \$440 for Senior Associates; and, \$400 for Junior Associates. Paralegal services would be at a rate of \$250 - 300 per hour. Law Clerks would be at a rate of \$235 per hour. Litigation rates would be subject to an annual increase on January 1 of each year beginning January 1, 2025, based on the U.S. Bureau of Labor Statistics Consumer Price Index, San Francisco-Oakland-Hayward Area, All Items Index, rounded to the nearest \$5.

The compensation adjustments apply only to the hourly rate for litigation services. These rates include Meyers Nave's top litigators and associates to address highly complex litigation facing the City lawsuits. The total amount that the City pays for Meyers Nave's legal services is based upon budgets annually adopted by the City Council in collaboration with the City Manager. Meyers Nave's services to the City have consistently been within the established budgets. Meyers Nave's total costs to the City over the years have remained stable, even as the City's population, General Fund revenues, and the services Meyers Nave helps provide have all significantly increased.

FISCAL IMPACT AND FUNDING SOURCE

Future litigation costs to the City are not currently known. It is anticipated that a future budget amendment will be necessary as litigation expenses were not anticipated in the Fiscal Year 2023-24 adopted budget.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING THE FIFTH AMENDMENT TO THE FIRST RESTATED AGREEMENT FOR LEGAL SERVICES WITH MEYERS NAVE

WHEREAS, Meyers Nave (“Meyers Nave”) was hired by the City to provide legal services as described in the Agreement for Legal Services dated February 24, 2003 (“Agreement”); and

WHEREAS, the City and Meyers Nave amended the Agreement on July 1, 2006, November 6, 2006, February 16, 2010, September 4, 2012 (by way of the First Restated Agreement), August 17, 2015, August 5, 2019, June 7, 2021, and August 1, 2022; and

WHEREAS, the City and Meyers Nave desire to update the Agreement, as set forth in this Fifth Amendment to the First Restated Agreement for Legal Services, to adjust compensation for litigation services.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does approve the Fifth Amendment to the First Restated Agreement for Legal Services and resolves that the Mayor is authorized to execute the Fifth Amendment to the First Restated Agreement for Legal Services between the City of Rancho Cordova and Meyers Nave, attached hereto as Exhibit A. The Fifth Amendment to the First Restated Agreement for Legal Services shall be effective December 19, 2023.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

FIFTH AMENDMENT TO FIRST RESTATED AGREEMENT FOR LEGAL SERVICES

This Fifth Amendment to the First Restated Agreement for Legal Services (“Fourth Amendment”) is made and entered into as of December 19, 2023 by and between the City of Rancho Cordova, a municipal corporation, in the State of California, acting by and through its City Council, (hereinafter “City”) and Meyers Nave, a professional corporation (hereinafter “Meyers Nave”).

RECITALS

WHEREAS, Meyers Nave was hired by the City to provide legal services as described in the initial Agreement for Legal Services dated February 24, 2003 (“Initial Agreement”).

WHEREAS, the City and Meyers Nave amended the Agreement for Legal Services on July 1, 2006, November 6, 2006, February 16, 2010, September 4, 2012 (by way of the First Restated Agreement for Legal Services, or “Agreement”), August 17, 2015, August 5, 2019, June 7, 2021, and August 1, 2022; and

WHEREAS, City and Meyers Nave now desire to amend the Agreement as set forth in this Fifth Amendment; and

WHEREAS, the City Council on December 18, 2023 authorized the Mayor to execute this Fifth Amendment on behalf of the City.

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Section 4(c) of the Agreement, “Compensation,” for litigation services is hereby amended to read as follows:
 - c. For litigation services, a rate of \$575 per hour for Senior Principals, \$525 for Principals and Of-Counsel Attorneys; \$440 for Senior Associates; and, \$400 for Junior Associates. Paralegal services at a rate of \$250 - 300 per hour. Law Clerks at a rate of \$235 per hour. Litigation rates shall be subject to annual increase on January 1 of each year beginning January 1, 2025 based on the U.S. Bureau of Labor Statistics Consumer Price Index, San Francisco-Oakland-Hayward, All Items Index, rounded to the nearest \$5.
2. All other terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fifth Amendment to the First Restated Agreement for Legal Services the day and year set below.

DATED: _____

David Sander, Mayor
City of Rancho Cordova

DATED: _____

Adam U. Lindgren, Principal
Meyers Nave

ITEM 9.11.

**ATTACHMENT 2
Exhibit A to the Resolution**

5558531.2

MEMORANDUM



ITEM 12.1.

DATE: December 18, 2023
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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1, IMPROVEMENT AREA NO. 1 APPROVING AND DIRECTING THE EXECUTION OF A 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 would authorize the sale of Special Tax Bonds (the "Bonds") for and on behalf of the Arista Del Sol Community Facilities District No. 2022-1 Improvement Area No. 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

The Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 ("CFD 2023-1") or (the "District") was formed in 2023 to assist in the financing of the acquisition and construction of certain public facilities and payment of certain fees within a portion of the Grantline 220 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 \$53,200,000 for the CFD.

Based on the current status of the property within the District, the appraisal estimates the value of the property within the District at approximately \$41.7 million. This has created an opportunity for the District to issue special tax bonds. Based on the expected par amount of \$8.9 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 and exceeds the 3:1 statutory minimum.

The proposed financing-related resolution approves: (i) the sale of the Bonds in an amount not

to exceed \$11 million; (ii) a 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:

- **Fiscal Agent Agreement:** This 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.
- **Bond Purchase Agreement:** This 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 January 8, 2024, and investors will purchase the Bonds from the underwriter.
- **Funding, Construction and Acquisition Agreement:** This agreement is between the City and Developer (Lennar Homes of California, LLC) to provide for the acquisition of certain public facilities serving development of the project within CFD 2023-1 to be financed in whole or in part by the District, including payment of certain fees to fund such public facilities, using proceeds from issuance and sale of bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to Developer.
- **Preliminary Official Statement:** This document 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 indicates how investors in the Bonds will be repaid.

Assuming the City Council approves this financing, staff would 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 January 8, 2024, 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 January 25, 2024.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact. The Special Tax Bonds are secured solely by the Special Taxes levied 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 Section 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: 5.35%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): \$515,700; (3) estimated amount of proceeds of the Bonds received by the City (net of finance charges, reserves and capitalized interest, if any): \$7,330,384; 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: \$18,513,953.

ATTACHMENT(S)

1. Resolution
2. Fiscal Agent Agreement
3. Funding, Construction and Acquisition Agreement
4. Preliminary Official Statement
5. Bond Purchase Agreement

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

**A RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS
FOR AND ON BEHALF OF IMPROVEMENT AREA NO. 1 OF THE CITY OF
RANCHO CORDOVA GRANTLINE 220 COMMUNITY FACILITIES DISTRICT
NO. 2023-1, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL
AGENT AGREEMENT AND AN ACQUISITION 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 (i) establish the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the "CFD"), (ii) designate within the CFD, "Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1" ("Improvement Area No. 1"), and (iii) establish a "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (Future Annexation Area)" for the CFD (the "Future Annexation Area"); and

WHEREAS, under the Act, the City Council is authorized to issue bonded indebtedness secured by special taxes levied within the CFD and improvement areas therein 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 July 3, 2023, the City Council, as legislative body of the CFD and Improvement Area No. 1, established the bonded indebtedness limit for the CFD in the principal amount of not to exceed \$53,200,000 (excluding bonds described in Section 53364.2(e) of the Act) (the "Authorization"), initially allocated as follows: (i) for Improvement Area No. 1, \$18,800,000 and (ii) for land within the Future Annexation Area, \$34,400,000; and

WHEREAS, the City desires to issue the first series of special tax bonds for Improvement Area No. 1 of the CFD pursuant to the Authorization; and

WHEREAS, there has been submitted to the City Council a Fiscal Agent Agreement, between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent Agreement"), providing for the issuance of a first series of special tax bonds of the City for Improvement Area No. 1, designated as the "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series 2024" (the "Bonds"), and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order for the purpose intended, and now desires to approve the Fiscal Agent Agreement 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, there has been placed on file with the City Clerk a form of Funding, Construction and Acquisition Agreement (the "Acquisition Agreement") providing for certain CFD authorized facilities to be acquired by the City from Lennar Homes of California, Inc., a California corporation, as the developer of the land within the District, or an affiliate or assignee, and the City Council, with the assistance of staff, has reviewed the Acquisition Agreement and found it to be in proper order, and now desires to approve such agreement; and

WHEREAS, there has been placed on file with the City Clerk a form of a Joint Community Facilities Agreement by and between the City, for and on behalf of the CFD, and (i) the Cordova Recreation and Park District (CRPD) and (ii) the Sacramento County Water Agency (SCWA) and the Sacramento Area Sewer District (the "Joint Community Facilities Agreements") providing for certain CFD authorized facilities to be acquired by CRPD and SCWA pursuant to Section 53316.2 of the Act, and the City Council, with the assistance of staff, has reviewed the Joint Community Facilities Agreements and found them to be in proper order, and now desires to approve such agreements; 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 Fiscal Agent Agreement, 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 BY 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, with any deviations hereby approved.

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 and the Fiscal Agent Agreement, the Bonds, in an aggregate principal amount not to exceed \$11,000,000, are hereby authorized to be issued. The Bonds shall be executed in the form set forth in, and otherwise as provided in, the Fiscal Agent Agreement. 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 Fiscal Agent Agreement.

The Bonds shall not be issued unless the value of the real property within Improvement Area No. 1 subject to the special tax to pay debt service on the 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 proposed to be issued and secured by a special tax levied pursuant to the Act on property within Improvement Area No. 1.

SECTION 4. Fiscal Agent Agreement. The Fiscal Agent Agreement in substantially the form on file with the City Clerk is hereby approved. 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 Fiscal Agent Agreement, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with the 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 Improvement Area No. 1 to be in excess of the Authorization.

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 Fiscal Agent Agreement, as finally approved and executed by an Authorized Officer. The terms and provisions of the Fiscal Agent Agreement, as finally executed, are incorporated herein by reference as if fully set forth herein. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement 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 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 \$11,000,000 or result in an Underwriter's discount in excess of 1.5%, or a true interest cost in excess of 7.00%. 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. Approval of Acquisition Agreement. The City Council hereby approves the Acquisition Agreement. An Authorized Officer is hereby authorized and directed to execute the Acquisition 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.

SECTION 10. Approval of Joint Facilities Agreements. The City Council hereby approves the Joint Community Facilities Agreements and any other joint community facilities agreements which an Authorized Officer deems necessary or appropriate to finance the facilities and/or fees authorized to be funded by the CFD. An Authorized Officer is hereby authorized and directed to execute such Joint Community Facilities Agreements 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.

SECTION 11. 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 designation of Improvement Area No. 1 therein, 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 12. Effectiveness. This Resolution shall take effect immediately upon its adoption.

ITEM 12.1.

ATTACHMENT 1

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

FISCAL AGENT AGREEMENT

by and between

CITY OF RANCHO CORDOVA

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Fiscal Agent**

Dated as of _____ 1, 2024

Relating to:

**\$ _____
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1
Special Tax Bonds
Series 2024**

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EXHIBIT A FORM OF BOND

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is made and entered into and dated as of _____ 1, 2024, by and between the City of Rancho Cordova, California, 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 220 Community Facilities District No. 2023-1 (the "District"), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America with a corporate trust office located in Seattle, Washington, as fiscal agent (the "Fiscal Agent").

WITNESSETH:

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to (i) establish the District (ii) designate within the District, "Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1" ("Improvement Area No. 1"), and (iii) establish a "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (Future Annexation Area)" for the District (the "Future Annexation Area"); and

WHEREAS, the City Council, as the legislative body of the District and Improvement Area No. 1, is authorized under the Act to levy special taxes to pay for the costs of facilities authorized for the District and to issue bonds secured by said special taxes under the Act;

WHEREAS, under the provisions of the Act, on December 18, 2023, the City Council of the City adopted its Resolution No. _____ (the "Resolution"), which resolution authorized the issuance of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series 2024 to provide moneys for the construction and acquisition of improvements for the District and provided that said issuance would be in accordance with the Act and this Agreement, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the Owners of the Bonds that the City enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds authorized to be issued hereunder and the administration and payment of the Bonds; and

WHEREAS, the City has determined that all things necessary to cause the Bonds, when authenticated by the City for the District and issued as in the Act, the Resolution and this Agreement provided to be legal, valid and binding and special obligations of the City for the District in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS STATUTORY AUTHORITY AND
DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Acquisition Agreement" means the Funding, Construction and Acquisition Agreement, dated as of _____ 1, 2024, by and between the City and Lennar Homes of California, Inc., and any amendments thereto.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 *et seq.* of the California Government Code.

"Additional Bonds" means any bonds other than the 2024 Bonds issued pursuant to Section 5.17 hereof.

"Administrative Expense Priority" means (i) for fiscal year 2024-24, \$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.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to Section 6.02, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District and Improvement

Area No. 1. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under Section 6.02 hereof.

“Administrative Services Director” means the Administrative Services Director, including any acting or interim Administrative Services Director, of the City, or person serving in a similar capacity, or a designee of such person.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

“Authorization” means a principal amount of Bonds for Improvement Area No. 1 not to exceed \$18,800,000 (excluding bonds described in Section 53364.2(e) of the Act).

“Authorized Officer” means the City Manager, Deputy City Manager, Administrative Services Director or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established pursuant to Section 4.02(A) hereof.

“Bond Year” means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2024.

“Bonds” means (i) the 2024 Bonds any (ii) Additional Bonds at any time Outstanding under this Agreement and any Supplemental Agreement.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

“Capitalized Interest Account” means the fund by that name established pursuant to Section 4.02(A) hereof.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cordova, California, and any successor thereto.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of _____, 2024, by and among the City and Goodwin Consulting Group, Inc., 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.

“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 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 Bonds, financial advisor fees, Bond (underwriter’s) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.05(A) hereof.

“DTC” means the Depository Trust Company, and its successors and assigns.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Debt Service Account” means the account of the Special Tax Fund by that name established by Section 3.03(A) hereof.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.12.

“District” means the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1, established pursuant to the Resolution of Formation.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment

agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

“Fiscal Agent” means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Improvement Area No. 1” means Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1, designated pursuant to the Resolution of Formation.

“Improvement Fund” means the fund by that name established pursuant to Section 3.04(A) hereof.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2024.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Maximum Annual Special Taxes” means the largest amount of Special Taxes allowed to be levied for any Bond Year, net of the Administrative Expense Priority.

“Officer’s Certificate” means a written certificate of the City signed by an Authorized Officer of the City.

“Ordinance” means any ordinance of the City levying the Special Taxes.

“Original Purchaser” means the first purchaser of the Bonds from the City.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

“Owner” or *“Bondowner”* means any person who shall be the registered owner of any Outstanding Bond.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank)

shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than 30 days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including funds which are managed or maintained by the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of \$500,000,000, and having a rating of at least "AA" (without regard to qualifier) for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program;

(xiv) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, provided, however, that the Fiscal Agent will be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement; or

(xv) any other lawful investment for City funds.

“Prepayment Account” means the account of the Bond Fund by that name established by Section 4.02(A) hereof.

“Principal Office” means the corporate trust office of the Fiscal Agent set forth in Section 9.06, or such other or additional offices as may be designated by the Fiscal Agent.

“Project” means the acquisitions and improvements described in the Resolution of Formation and pursuant to the Acquisition Agreement and any joint community facilities agreements.

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent pursuant to Section 4.03, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated in at least the “AA” category (without regard to qualifier) by S&P or Moody’s; (ii) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to Section 4.03.

“Rate and Method” means the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1, as initially approved and as may be amended.

“Record Date” means the 15th day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

“Regulations” means temporary and permanent regulations promulgated under the Code.

“Reserve Fund” means the fund by that name established pursuant to Section 4.03(A) hereof.

“Reserve Requirement” means the least of (i) 125% of the average Annual Debt Service on the Bonds; (ii) Maximum Annual Debt Service on the Bonds; and (iii) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of such Series of Bonds); provided, that in no event shall the City be obligated to deposit an amount in the 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, and provided further that the Reserve Requirement increase subsequent to the issuance of the Bonds.

“Resolution” means Resolution No. _____-, adopted by the City Council of the City on _____, 2024, which resolution authorized the issuance of the Bonds.

“Resolution of Formation” means Resolution No. _____, adopted by the City Council of the City on August 7, 2024, establishing the District and designating therein Improvement Area No. 1.

“Securities Depositories” means The Depository Trust Company, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Series” means any series of bonds authorized for Improvement Area No. 1 pursuant to this Fiscal Agent Agreement or any Supplemental Agreement.

“Special Tax Fund” means the fund by that name established by Section 3.03(A) hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes annually received by the City, excluding any interest and penalties thereon collected in connection with delinquent Special Taxes, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, 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” as defined in the Rate and Method, levied within Improvement Area No. 1 pursuant to the Act, the Ordinance and this Agreement.

“Supplemental Agreement” means an agreement which is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Surplus Account” means the account of the Special Tax Fund by that name established by Section 3.03(A) hereof.

“2024 Bonds” means the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series 2024.

ARTICLE II

THE BONDS

Section 2.01. Principal Amount; Designation. 2024 Bonds in the aggregate principal amount of \$_____ are hereby authorized to be issued by the City for Improvement Area No. 1 under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The 2024 Bonds shall be designated the "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series 2024."

Section 2.02. Terms of 2024 Bonds.

(A) Form; Denominations. The 2024 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. The 2024 Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(B) Date of 2024 Bonds. The 2024 Bonds shall be dated the Closing Date for the 2024 Bonds.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2024 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2024 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 2024 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. The 2024 Bonds shall be issued as serial bonds and term bonds and shall mature and become payable as follows:

Maturity (September 1)	Principal Amount	Interest Rate	CUSIP (75211R)
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T = Term bonds.

(E) Interest. The 2024 Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2024 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 Closing Date; provided, however, that if at the time of authentication of a 2024 Bond, interest is in default thereon, such 2024 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the 2024 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates 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 Record Date preceding the Interest Payment 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 2024 Bonds; provided that so long as any 2024 Bonds are in book-entry form, payments with respect to such 2024 Bonds shall be made by wire transfer or such other method acceptable to the Fiscal Agent to the Depository. The principal of the 2024 Bonds and any premium on the 2024 Bonds are payable in lawful money of the United States of America upon surrender of the 2024 Bonds at the Principal Office of the Fiscal Agent. All 2024 Bonds paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled 2024 Bonds and issue a certificate of destruction thereof to the City.

Section 2.03. Redemption.

(A) Redemption Dates.

(i) Optional Redemption. The 2024 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 2024 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 2024 Bonds shall be 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 2024 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 and including March 1, ____	103%

September 1, ____ and March 1, ____	102
September 1, ____ and March 1, ____	101
September 1, ____ and Interest Payment Dates thereafter	100

The proceeds of any such prepayment shall be deposited in the Prepayment Account of the Bond Fund and applied by the Fiscal Agent to pay the redemption price of the 2024 Bonds.

(iii) Mandatory Sinking Fund Redemption. The Term Bonds maturing September 1, ____ and September 1, ____ are subject to mandatory sinking payment redemption in part on September 1, ____ and September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 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, ____ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
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September 1, ____ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
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The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in an Officer's Certificate, in order to maintain substantially uniform debt service, as a result of any prior partial redemption of the 2024 Bonds pursuant to Section 2.03(A)(i) or (ii) above.

In lieu of redemption under this Section 2.03, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2024 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 2024 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 2024 Bonds pursuant to subsections (A)(i) and (A)(ii) not less than 45 days prior to the applicable redemption date.

(C) 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 the

Municipal Securities Rulemaking Board and to the Securities Depositories, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the 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 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such 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 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the redemption of Bonds under Section 2.03(A)(i) by written notice to the Fiscal Agent on or prior to two Business Days prior the date fixed for redemption. 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 Bonds then called for redemption, and such cancellation shall not constitute an event of default. The City and the Fiscal Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

Upon the payment of the redemption price of 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, of the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent shall select the Bonds to be redeemed, from all 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 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 Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(D) 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 Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this 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.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City.

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Bonds. The 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 shall be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, 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 authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer 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.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity.

No transfers of Bonds shall be required to be made (i) within fifteen (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.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of 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 exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) within fifteen (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.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office, sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which books shall show the series number, date, amount, rate of interest and Owner of each Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the City. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the Fiscal Agent and the City satisfactory to the Fiscal Agent shall be given, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the City under this Agreement and the Bonds shall be special obligations of the City, payable solely from the Special Tax Revenues and the funds pledged therefore hereunder. Neither the full faith and credit nor the taxing power of the City (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. Book-Entry Only System. DTC shall act as the initial Depository for the Bonds. One Bond for each maturity of the Bonds shall be initially executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond Register kept by the Fiscal Agent for the Bonds in the name of Cede & Co, as nominee of DTC or such nominee as DTC shall appoint in writing.

The Authorized Officers and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Bond Register in the name of Cede & Co, as nominee of DTC, the Fiscal Agent shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Fiscal Agent shall not have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co, or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Bonds only to the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Fiscal Agent and the City during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.13. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section 2.13 shall in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement, the City may issue the Bonds in the aggregate principal amount set forth in Section 2.01 or as authorized in any supplemental agreement and deliver such 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 Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance of the Bonds from the proceeds of the Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

Section 3.02. Application of Proceeds of Sale of 2024 Bonds.

The proceeds of the purchase of the 2024 Bonds by the Original Purchaser in the amount of \$_____ (representing the principal of amount of the Bonds, less an underwriter's discount of \$_____, minus net original issue discount of \$_____), shall be paid to the Fiscal Agent, who shall forthwith deposit such proceeds on the Closing Date as follows:

- (i) Deposit in the Improvement Fund \$_____;
- (ii) Deposit in the Reserve Fund \$_____;
- (iii) Deposit \$_____ in the Capitalized Interest Account of Bond Fund;
and
- (iv) Deposit in the Costs of Issuance Fund \$_____.

Section 3.03. Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Administrative Services Director, known as Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds, Series 2024, Special Tax Fund. Within the Special Tax Fund, the Administrative Services Director shall establish and maintain two accounts, (i) the Debt Service Account, to the credit of which the City shall deposit, immediately upon receipt, all Special Tax Revenues received by the City, and any amounts required by Section 3.05(B) to be deposited in the Special Tax Fund, and (ii) the Surplus Account, to the credit of which the City shall deposit surplus Special Tax Revenues described in Section 3.03(B) below. Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. All Special Tax Revenues shall be deposited in the Debt Service Account upon receipt. No later than 10 Business Days prior to each Interest Payment Date, the City shall 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 such that 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. After the transfers under subsections (i) and (ii) have been made, the City may, on or after September 15th of each year transfer to the Surplus Account the amount remaining in the Debt Service Account.

From time to time, the City may withdraw from the Surplus Account of the Special Tax Fund amounts needed to pay costs of the Project or incidental expenses of the District authorized under the Act, including Administrative Expenses in excess of the Administrative Expense Priority. Moneys in the Surplus Account may, at the City's discretion, also be used 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 and if not needed for those purposes shall be available, to the extent required under the Acquisition Agreement, to directly finance the Project (so-called pay-as-you-go funds).

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.04. Improvement Fund.

(A) Establishment of Improvement Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Improvement Fund to the credit of which a deposit shall be made as required by Section 3.02 and as required by Section 3.03. Moneys in the Improvement Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of costs of the Project.

(B) Procedure for Disbursement. Disbursements from the Improvement Fund shall be made as determined by an Authorized Officer for the payment or reimbursement of the costs of the Project, including for costs of acquisition of portions of the Project, which may include authorized administrative expenses of the City, in accordance with the Acquisition Agreement, by submission of an Officer's Certificate to the Fiscal Agent requesting disbursement of moneys. 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 Officer's Certificate.

(C) Investment. Moneys in the Improvement Fund 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 in the Improvement Fund to be used for the purposes of the Improvement Fund.

(D) 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 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 Authorized Officer shall request the Fiscal Agent to 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 3.05. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02. Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance of the 2024 Bonds.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Administrative Services Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all Costs of Issuance of the 2024 Bonds 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 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the 2024 Bonds. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 2 months, from the Closing Date of the 2024 Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Improvement Fund, and if the Improvement Fund has been closed then to the Special Tax Fund, and the Costs of Issuance Fund shall be closed. Thereafter, every invoice received by the Fiscal Agent shall be submitted to the Administrative Services Director for payment from amounts on deposit in the Special Tax Fund.

(C) Investment. Moneys in the 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 Costs of Issuance Fund to be used for the purposes of such fund.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND AND RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues and Other Amounts. All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, the Improvement Fund and the Special Tax Fund are hereby pledged to secure the repayment of the Bonds. In addition, the 2024 Bonds shall be secured by a pledge of all amounts in the Reserve Fund, and a 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 such funds (except as otherwise provided herein) are hereby dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Costs of Issuance Fund for any Series of Bonds are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to the repayment of the Bonds. Any proceeds of condemnation, destruction or other disposition of any facilities financed with the proceeds of the Bonds are not pledged to the repayment of the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Bond Fund.

(A) Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Bond Fund, to the credit of which deposits shall be made as required by Section 3.03(B)(ii), Section 4.03 and any other amounts required to be deposited therein by this Agreement or the Act. Within the Bond Fund, the Fiscal Agent shall establish a Prepayment Account and deposit therein moneys received, if any, from prepayments of the Special Tax pursuant to Section 2.03(A)(ii). Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

There is also hereby created within the Bond Fund a "Capitalized Interest Account" which account is hereby established for purposes of accounting for the disposition of 2024 Bonds, a portion of the proceeds of which will be deposited to such Capitalized Interest Account pursuant to Section 3.02(a). The amount deposited to the Capitalized Interest Account and any investment earnings thereon shall be used solely to make payments on the 2024 Bonds through September 1, 2024. Any excess amounts therein on September 2, 2024 shall be transferred to the Special Tax Fund, and the Capitalized Interest Account shall thereupon be closed.

(B) Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by

reason of the sinking payments set forth in Section 2.03(A)(iii) or any redemption of the Bonds as provided under Section 2.03(A)(i). Moneys in the Prepayment Account shall be disbursed for redemption of Bonds as instructed by the City.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Administrative Services Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(C) Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

(D) Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Administrative Services Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Administrative Services Director in writing of such fact, and the Administrative Services Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under this Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Section 4.03. Reserve Fund.

(A) Establishment of Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as "Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Reserve Fund," to the credit of which a deposit shall be made as required by Section 3.02, and deposits shall be made as provided in Section 3.03(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds secured thereby as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

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: (1) a Qualified Reserve Fund Credit Instrument, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the City.

(B) Use of Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall 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 within five days prior to any Interest Payment Date in the Bond Fund of the amount required for payment of the principal of, and interest on, the Bonds secured by the Reserve Fund on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Administrative Services Director.

(C) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund (or any account therein) exceeds the then applicable Reserve Requirement, the Fiscal Agent shall provide written notice to the Administrative Services Director of the amount of the excess and, following any transfer required pursuant to Section 4.03(D) below, shall transfer an amount equal to the excess from the Reserve Fund to the Improvement Fund, if the Project has not been completed as of the date of such transfer, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with Section 4.02.

(D) Transfer for Rebate Purposes. 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 Section 6.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. 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 after making any transfer required under Section 4.03(D) above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent shall 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, in accordance with Section 4.02 or 2.03 as applicable, of all of the Outstanding Bonds. In the event that 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 shall be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

(F) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.01. 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 Project has not been completed, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds secured by the Reserve Fund.

ARTICLE V**OTHER COVENANTS OF THE CITY**

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.02. Limited Obligation. The Bonds are limited obligations of the City on behalf of Improvement Area No. 1 of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created hereunder.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05. Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions of the Fiscal Agent relating to the expenditure of amounts disbursed from funds and accounts held by the Fiscal Agent hereunder. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.07. Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

Section 5.08. Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.09. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 5.10. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or within five Business Days of each June 1, the Fiscal Agent shall provide the Administrative Services Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Administrative Services Director shall in no way affect the obligations of the Administrative Services Director under the following two paragraphs. Upon receipt of such notice, the Administrative Services Director shall ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within Improvement Area No. 1 for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Administrative Services Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within Improvement Area No. 1 required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Rate and Method and the Ordinance.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Section 5.11. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Section 5.13. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.14. Annual State Reports. The following requirements shall apply to the Bonds:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Administrative Services Director shall prepare and supply the California Debt and Investment Advisory Commission, by mail, postage prepaid, with the information required under Section 53359.5(c) of the Act. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If within 10 days prior to any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner or if the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds, the Administrative Services Director shall make the reports required under Section 4.02(D) hereof.

(C) Amendment. The reporting requirements of this Section 5.14 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act.

(D) No Liability. None of the City and its officers, agents and employees, the Administrative Services Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 5.14.

Section 5.15. Covenant to Foreclose. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Sacramento relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient it will enforce the lien of the Special Taxes by commencing, or cause to be commenced, foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimate cost of legal proceedings, the status of Special Tax collections and available debt service reserves, under the following circumstances:

(a) if 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 enforce the lien on all delinquent parcels; or

(b) if property owned by any single property owner in Improvement Area No. 1 is delinquent on four consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 1) it will enforce the lien against such property.

Section 5.16. Continuing Disclosure to Owners. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.17. No Additional Bonds. The City covenants not to issue Additional Bonds payable from Special Taxes and by the Special Tax Revenues equally and ratably with Bonds previously issued, except that the City may issue bonds to refund all or part of the Bonds. The City may also issue bonds secured by Special Taxes on a subordinate basis to the pledge of Special Taxes for payment of the Bonds.

Section 5.18. Yield of the Bonds. In determining the yield of the Bonds to comply with Section 5.13 and 6.02 hereof, the City will take into account optional and mandatory prepayment redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

ARTICLE VI**INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS;
LIABILITY OF THE CITY**

Section 6.01. Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Administrative Services Director shall be invested by the Administrative Services Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent or Administrative Services Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Administrative Services Director shall incur any liability for losses arising from any investments made pursuant to this Section. Any losses arising from any investments made pursuant to this Section shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination hereunder, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Administrative Services Director hereunder, provided that the Fiscal Agent or the Administrative Services Director, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Administrative Services Director, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the

Administrative Services Director shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code.

The City shall notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent shall, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to Section 4.03(D), and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under Section 4.03(D), the Fiscal Agent shall notify the Administrative Services Director in writing of the amount of the shortfall and the Administrative Services Director shall make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

Section 6.03. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of Improvement Area No. 1 of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created hereunder.

ARTICLE VII**THE FISCAL AGENT**

Section 7.01. Appointment of Fiscal Agent. U.S. Bank Trust Company, National Association, at its Principal Office, is hereby appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within 30 days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with

respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the City shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may consult with

counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent, but only from Special Tax Revenues, from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, and only from Special Tax Revenues as the source of funds, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds; or

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations;

(E) to facilitate the issuance of Additional Bonds, to the extent permitted by Section 5.17.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under Section 8.01, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

If consent of the Owners is required under Section 8.01, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise herein above specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to this Section 8.04.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental

Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.08. Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of this Article VIII, and the Fiscal Agent may conclusively rely upon such opinion.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent or other fiduciary, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent or other fiduciary, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City under Section 5.13 and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to Section 7.05; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or by facsimile (with receipt confirmed by telephone) addressed (until another address is filed by the City with the Fiscal Agent) as follows:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670
Attention: Administrative Services Director

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or by facsimile (with receipt confirmed by telephone) addressed (until another address is filed by the Fiscal Agent with the City) as follows:

U.S. Bank Trust Company, National Association
1420 Fifth Avenue, 7th Floor
Mail Stop PD-WA-T7CT
Seattle, Washington 98101
Attention: Global Corporate Trust Services
Fax: (206) 344-4630

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of _____ 1, 2024.

CITY OF RANCHO CORDOVA, for itself and on
behalf of CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES
DISTRICT NO. 2023-1

By: _____
Administrative Services Director

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Fiscal Agent

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$_____

CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES 2024

INTEREST RATE:
%**MATURITY DATE:**
September 1, 20__**BOND DATE:**
_____, 2024**CUSIP:**

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 220 Community Facilities District No. 2023-1 (the "District") for Improvement Area No. 1 of the District, for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) 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 March 1, 2024 (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 the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (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 December 18, 2023 (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 for the District, and is one of the bonds designated “City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds Series 2024” (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, 2024, by and between the City and the Fiscal Agent (the “Agreement”) 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. Capitalized terms used but not defined herein are defined in the Agreement.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the “Special Tax Revenues,” being the proceeds of the special taxes annually received by the City for Improvement Area No. 1 (the “Special Taxes”), 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, and certain funds held under the Agreement.

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 shall be 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 Bonds to be redeemed), plus accrued interest thereon the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through and including March 1, ____	103%
September 1, ____ and March 1, ____	102
September 1, ____ and March 1, ____	101
September 1, ____ and Interest Payment Dates thereafter	100

The proceeds of any such prepayment shall be deposited in the Prepayment Account of the Bond Fund and applied by the Fiscal Agent to pay the redemption price of the Bonds.

The Term Bonds maturing September 1, ____ and September 1, ____ are subject to mandatory sinking payment redemption in part on September 1, ____ and September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 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, ____ Term Bonds

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
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September 1, ____ Term Bonds

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
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The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in an Officer's Certificate, in order to maintain substantially uniform debt service, as a result of any prior partial redemption of the 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 executed in its name by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk.

CITY RANCHO CORDOVA

By: _____
Mayor

Attested:

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: _____, 2024

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Fiscal Agent

By: _____
Authorized Officer

FORM OF 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 an eligible guarantor institution with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17A(d)15.

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.

FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT

Dated as of _____ 1, 2024

by and between

CITY OF RANCHO CORDOVA

and

LENNAR HOMES OF CALIFORNIA

RELATIVE TO THE

**CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1**

This **FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT** (this “**Agreement**”) is entered into as of _____ 1, 2024, by and between the CITY OF RANCHO CORDOVA, a municipal corporation and general law city existing under the laws of the State of California (the “**City**”), and LENNAR HOMES OF CALIFORNIA, LLC, a California limited liability company (“**Developer**”).

RECITALS

WHEREAS, the City Council of the City (the “**City Council**”) has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”), to (i) establish the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “**District**”), (ii) designate within the District, “Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1” (“**Improvement Area No. 1**”), and (iii) establish a “City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (Future Annexation Area)” for the District (the “**Future Annexation Area**”);

WHEREAS, land currently in the District and anticipated to annex from the Future Annexation Area in the future relates to the proposed development within the City commonly known as “Grantline 220” (the “**Property**”) owned by, or under option to, the Developer, and the District has been formed for the purpose of paying costs for certain public facilities and fees which are necessary to the development of the Property;

WHEREAS, the County of Sacramento approved the Specific Plan for the development of the Property (and properties owned by others) (the “**Specific Plan**”), the Developer proposes to construct improvements and to pay certain fees which will fund improvements to the portion of the Specific Plan that includes the Property (the development of such portion of the Specific Plan is defined herein as the “**Project**”) as required by the Project Approvals (as defined below). The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the property that includes the Property, the City approved tentative subdivision maps for the Project and final subdivision maps for portions of the Project, and the Specific Plan, the tentative subdivision maps, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between Developer and City in implementation of the Project, as the same may be amended from time to time, including amendments thereto (these documents are herein collectively referred to as the “**Project Approvals**”);

WHEREAS, Section 53313.5 of the Act provides that a community facilities district may finance the construction and acquisition of facilities constructed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been constructed as if they had been constructed under the direction and supervision, or under the authority of, the local agency whose governing body is conducting proceedings for the establishment of the district; and

WHEREAS, the purpose of this Agreement is to provide for the acquisition of certain public facilities serving development of the Project to be financed in whole or in part by the District, including payment of certain fees to fund such public facilities, using proceeds from issuance and sale of bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to Developer.

AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

Section 1. Establishment of District and Improvement Area No. 1. The City has initiated and concluded proceedings pursuant to the Act for the establishment of the District, including designation of Improvement Area No. 1 therein, and identification of Future Annexation Area related thereto. Such proceedings included elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the question of the issuance of bonds for Improvement Area No. 1 of the District to finance the design, construction or acquisition of the below described authorized facilities, either directly or through the payment of fees charged by the City to fund capital improvements, (ii) the issue of the annual levy of special taxes on all taxable property within the Improvement Area No. 1 of the District pursuant to the terms of the Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 (for Improvement Area No. 1 and each future improvement area, an “**RMA**”), for the payment of principal and interest on the bonds of the District and the annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, or the acquisition of authorized facilities and payment of authorized costs from the proceeds of such special taxes, and (iii) the question of the establishment of an appropriations limit for Improvement Area No. 1. This Agreement applies to Improvement Area No. 1 and each future improvement area (each, an “Improvement Area”) designated out of the Future Improvement Area.

Section 2. Sale of Bonds; Authorized Facilities. The City intends to proceed with the sale of bonds in one or more series in each Improvement Area (herein, the “**Bonds**”) for the District for the purpose of raising money eligible for use as payment for Authorized Facilities and/or Authorized Fees (described below) in accordance with this Agreement and City policies, in the maximum aggregate principal amount of not to exceed \$53,200,000 (excluding Bonds described in Section 53364.2(e) of the Act) (the “**Authorization**”), initially allocated as follows: (i) for Improvement Area No. 1, \$18,800,000 and (ii) for land within the Future Annexation Area, \$34,400,000. The timing of the issuance and sale of each series of Bonds, the aggregate principal amount thereof, and the terms and conditions upon which they shall be sold shall be determined by the City. If multiple series of Bonds are to be issued, this Agreement is applicable to proceeds from all such series of such Bonds.

The authorized facilities (the “**Authorized Facilities**”) eligible for reimbursement from Bond proceeds and City-wide fees eligible for reimbursement and advance funding (the “**Authorized Fees**”) from Bond proceeds are generally described in Exhibit A attached hereto. The Authorized Facilities identified in Exhibit A represent all of the facilities that are eligible for acquisition; however Developer may not construct all of the Authorized Facilities (e.g., some facilities may be constructed by City, other public agencies or utilities, or other developers that require the construction of such facilities, or in concert with other developers).

“**Available Construction Proceeds**” shall be the proceeds of the sale of the Bonds net of costs of issuance, less the Formation Fees and Costs, capitalized interest, and any administration costs to be deducted therefrom, plus any interest earnings on such proceeds (“**Net Bond Proceeds**”), plus any Special Taxes that are authorized to be used to finance Authorized Facilities and Authorized Fees directly.

Section 3. Tax Requirements. For any Bonds that are issued as federally tax-exempt, the City shall take all actions which, in the opinion of City's bond counsel, are necessary in order to avoid classification of the Bonds as "arbitrage bonds" or the loss of tax exemption for the Bonds for any other reason.

Section 4. Amounts to Be Included in Bonds. The principal amount of each series of Bonds shall include an amount needed (i) to fund a reserve fund for the payment of principal and interest of such Bonds as is determined by the City to be necessary and appropriate, capitalized interest on such Bonds for such period as the City and the Developer shall determine is appropriate (if and to the extent not provided by the levy and collection of special taxes in advance of such Bond sale), (ii) the amount of the discount of the underwriter who purchases such Bonds, and (iii) other expenses incurred by the City in connection with the issuance and sale of such Bonds, including bond and disclosure counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for such Bonds, other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the Act as the City determines are necessary and appropriate. The City may also include within the principal amount of a series of Bonds an amount determined by the City to equitably reimburse Developer, or any entities related thereto, for costs and expenses incurred by them which are related to the establishment of the District; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Developer. (All of the foregoing fees, costs, and expenses described in this paragraph are hereinafter "**Formation Fees and Costs.**") In no event shall Developer be reimbursed from Bond proceeds for (i) in-house administrative overhead (except that Developer shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Developer on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Authorized Facilities, and (iii) any other costs and expenses incurred by Developer which are not authorized by the Act.

Section 5. Design of Authorized Facilities.

(a) Conformance with Standards. Authorized Facilities to be acquired by the City shall be designed in conformance with all applicable City standards and requirements. Upon completion of the design of each such Authorized Facility to the satisfaction of the City; and when Developer has paid to the City all applicable plan checking and other fees, Developer shall notify City that the design of the Authorized Facility is completed.

(b) Reimbursement for Design. Developer may be reimbursed out of Available Construction Proceeds for such expenses incurred in designing those Authorized Facilities set forth in Exhibit A hereto, including all applicable plan checking and other fees paid, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from Available Construction Proceeds only. Reimbursement for design and for plan check services related to approval of the design for each Authorized Facility shall be made in one or more lump sum payments as and when the design for each Authorized Facility is approved, but only after City has received and approved all invoices for such services associated with the design of such Authorized Facility.

(c) Assumption of Design by City. Notwithstanding the preceding provisions of this Section, if the City determines that Developer is not proceeding with the design of an Authorized Facility to be constructed by Developer for acquisition by City on a reasonable schedule which

will enable the City to insure that construction of such Authorized Facility can be completed within the time specified in Section 6 hereof, the City may take over the design of the Authorized Facility by giving Developer written notice thereof. Upon receipt of such a notice, Developer shall surrender to the City all plans and specifications which have then been completed or which are in progress with respect to such Authorized Facility.

If the City takes over the design of an Authorized Facility as provided above, the City shall reimburse Developer from the Available Construction Proceeds for the approved expenses incurred in connection with the design of the Authorized Facility which have not previously been reimbursed, provided there are sufficient funds remaining, after payment for the Authorized Facilities, to do so. City shall be reimbursed from Available Construction Proceeds the expenses incurred to complete the design. If the City takes over the design of other Authorized Facilities commenced by Developer, the cost of a portion of the plans for such Authorized Facilities taken over shall be eligible for fee credits to the extent fee credits are applicable hereunder for Authorized Facilities.

Section 6. Construction for Acquisition. The City shall only be required to acquire from Developer, and otherwise pay Developer for, the Authorized Facilities set forth in Exhibit A. For those Authorized Facilities which Developer constructs, Developer shall proceed with the construction thereof in accordance with the approved plans and specifications.

For construction of Authorized Facilities under this Section, Developer shall comply with all of the following requirements to insure that the Authorized Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:

(a) Approval by City. The plans and specifications and form of contract documents shall be approved by the City Engineer and City Attorney for conformance with City Codes and policy.

(b) Contract Requirements. Developer shall require, and the specifications and contract documents shall require, all such contractors to pay prevailing wages in accordance with the California Labor Code.

To the extent bidding is required by the City the following shall apply:

(i) The bidding and contract award procedures shall be approved by the City Engineer for conformance with City codes and policy. Based on qualifications submitted by the contractors, the Developer, in consultation with the City Engineer, shall select a list of qualified bidders for each element of work. If the Developer determines that the nature of a particular element of the construction does not require a pre-qualified bid list, the Developer may allow a particular element of the work to be bid without a pre-qualified bid list.

(ii) The specifications and bid and contract documents shall require all contractors and subcontractors, to pay prevailing wages in accordance with the California Labor Code.

(iii) All contractors and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Authorized Facilities.

(iv) No contractor or subcontractor may be listed on a bid proposal for the Authorized Facilities unless registered with the Department of Industrial Relations pursuant to Labor

Code Section 1725.5. No contractor or subcontractor may work on the Authorized Facilities unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Developer shall be responsible for ensuring that these contractor registration requirements are adhered to since construction of the Authorized Facilities is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(v) Developer shall notify the Department of Industrial Relations within five (5) days of the award of the initial prime contract for the Authorized Facilities.

(vi) Developer shall comply with all federal, state and local laws, ordinances and regulations applicable to the construction of the Authorized Facilities.

(c) Proof of Insurance/Completion of Construction. All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Authorized Facilities which they will construct in conformance with the City's standard procedures and requirements. Developer shall cause the Authorized Facilities to be constructed in an expeditious manner as determined by the City to be in accordance with project approvals and development progress. If Developer fails to expeditiously prosecute such construction of the Authorized Facilities to be constructed by Developer for acquisition by the City, the City shall have the right and may elect to take over the construction of such Authorized Facilities, or any part thereof, if it determines it is necessary for it to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Developer in writing that if Developer does not satisfy the City that construction is proceeding expeditiously on the construction of an Authorized Facility within 30 days after receipt of such notice, the City will take over the construction of such Authorized Facilities. If after receiving such a written notification Developer does not satisfy the City that they are proceeding expeditiously to construct that portion of the Authorized Facilities identified in the written notification to the satisfaction of the City, within 30 days from the date of receipt thereof, Developer shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Authorized Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the sources of funds to be utilized by the City for the construction of any such Authorized Facilities may include (i) the proceeds of the sale of Bonds of the District, (ii) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including, property in the City, (iv) interest earnings on the reserve fund or improvement fund for Bonds of the District, to the extent such earnings are determined by the City to be available for construction of the Authorized Facilities, (v) the Developer's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by Developer, and (vii) the Developer's and/or contractors' performance bonds. To the extent that such sources may be insufficient to pay for the construction of an Authorized Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Authorized Facilities which can be constructed with such sources of funds which are available therefor, or the City may proceed to complete the Authorized Facilities and charge the Developer, the Developer's bond or any contractor's bond for the costs thereof. Nothing contained herein and no take-over of construction of Authorized Facilities by the City shall relieve a Developer of any of its responsibilities under any development agreement or project approval relating to the Property. Following completion of the Authorized Facilities taken over by the City, the City shall use the above-referenced sources to reimburse the Developer for any costs incurred by the Developer in

the construction of the Authorized Facilities that were not previously reimbursed to the Developer.

Section 7. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Authorized Facilities to be constructed by Developer for acquisition or reimbursement therefor by the City as it deems necessary. The City may provide engineering and inspection services using City staff, contracting with the Sacramento County Public Works Agency, or contracting with any other entity for these services (in all cases referred to as the "City Inspectors"). City Inspectors shall have access to the construction sites at all reasonable times for the purpose of conducting their inspections. Developer and its contractors shall reasonably cooperate in every way with the City Inspectors to ensure that they are afforded an adequate opportunity to inspect each and every aspect of the progress of construction of each and every such Authorized Facility.

Section 8. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 3115 and 3116 of the California Civil Code, Developer shall provide to the City (as set forth in paragraph 9(a) below) such evidence or proof as the City shall reasonably require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Authorized Facilities, or portion thereof, constructed by Developer for acquisition by the City have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. During construction of the Authorized Facilities, Developer shall provide, or cause its contractors to provide, conditional lien releases with respect to pending Requests for Payment (and unconditional lien releases for previously paid Requests for Payment), in accordance with the statutory requirements and as may be requested by City.

Section 9. Payment of Acquisition Price.

(a) **Request for Payment of Acquisition Price.** On the 30th day of each month following commencement of construction of any of the Authorized Facilities, or such other dates as are mutually agreeable by City and Developer, Developer will submit to City an invoice, or other form of request, for payment (the "Request for Payment") of the Acquisition Price (as determined below) for the portion of each Authorized Facility constructed during the previous month. The Request for Payment shall be made on the form attached hereto as Exhibit B and include such necessary information (including invoices, receipts, worksheets and other evidence) in sufficient detail to allow the City to verify the Acquisition Price of such portions of the Authorized Facilities. With the Request for Payment, Developer shall also submit copies of verifications of inspections conducted pursuant to Section 7 and lien releases pursuant to Section 8 above for the portions of the Authorized Facilities for which the Request for Payment is submitted.

(b) **Determination of Acquisition Price/City Inspection.** Upon submittal of a complete (as reasonably determined by City) Request for Payment, the City or the City and Other Public Entity, shall determine the Acquisition Price (or in the case of a reimbursement, the reimbursement amount, which hereinafter is included in the term "Acquisition Price") to be paid by the City for the acquisition from Developer of the portions of the Authorized Facilities constructed by Developer during said prior month. City Inspectors shall verify the type and quantity of work described in the Request for Payment as having been completed and confirms said work is completed in a satisfactory manner. City Inspectors shall transmit to the City's Finance Department the findings of its review and then consult with the Finance Department as needed to determine the Acquisition Price. The Acquisition Price for the portion of an Authorized Facility shall include the actual cost of construction (or payment) thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its

contractors, and suppliers, in accordance with standards and procedures therefor as prescribed by the City. The City shall use its best efforts to determine the Acquisition Price within twenty (20) business days from receipt of a Request for Payment to determine the Acquisition Price. Upon determining the Acquisition Price, City shall promptly notify Developer in writing of such Acquisition Price.

(c) Payment of Acquisition Price. Within forty-five (45) days after receipt of a complete (as reasonably determined by City) Request for Payment, the City, through its fiscal agent, shall pay from the Available Construction Proceeds the Acquisition Price then due to Developer. If the Payment Request indicates that Developer is withholding from its contractor a retention of a least five percent (5%) of the contract price for the portion of the constructed Authorized Facility, then the full amount of the approved Acquisition Price shall be authorized for payment to Developer; if the Payment Request does not indicate the withholding by Developer of such five percent (5%) retention, then the amount to be paid to Developer shall be equal to the Acquisition Price, less a retention of five percent (5%) of the contract price for the portion of the constructed Authorized Facility. Upon completion of such Authorized Facility in its entirety, including all "Punch List" work, and acceptance of the Authorized Facility by the City, the City, through its fiscal agent, shall pay from the Available Construction Proceeds the balance of the Acquisition Price then due Developer for such Facility, including any 5% progress retention then paid by Developer or any 5% retentions previously retained by City with respect thereto. City may withhold payment from a Developer if the Developer requesting payment owes the City money on outstanding invoices or is delinquent in the payment of any special taxes, until such balance is brought to zero. For the purposes of clarity, acceptance of a completed Authorized Facility is not a condition precedent to the payment of the Acquisition Price of the Authorized Facility in accordance with this subsection.

(d) Payment Limited to Available Construction Proceeds. As noted hereunder, payments to Developer shall be payable solely from the Available Construction Proceeds. The amount to be paid to Developer shall be a reimbursement for actual costs incurred as determined by the City in accordance with this Agreement and shall not exceed the Developer's cost thereof as reasonably determined by the City to be eligible under the Act to be part of the Acquisition Price of Authorized Facilities. All portions of the Authorized Facilities not acquired with the Available Construction Proceeds shall nonetheless be constructed by the Developer, to the extent required by the project approvals. In the event Available Construction Proceeds are insufficient to pay the eligible Acquisition Price, any shortfall shall be the responsibility of the Developer, however Developer may request that all or any portion of such shortfall be reimbursed from additional series of Bonds for the District if and when such additional Bonds are issued, and in such event the deferred amount will be eligible for reimbursement from proceeds of such future Bonds, to the extent funds are available.

Developer shall not be entitled to reimbursement for costs allocable to any Authorized Facility which has previously been acquired by the City and reimbursed from other sources, if, in the opinion of the City, such reimbursement would create a double payment to Developer(s) for such Authorized Facility, or component thereof.

(e) Annual Accounting of Available Construction Proceeds. At the request of Developer, which shall be not more than once a year during the term of this Agreement, City shall prepare and provide to Developer an accounting (an "Annual Accounting") of the following: (i) the total amount of Available Construction Proceeds then on deposit in the Improvement Fund hereunder and deposited thereto from the prior fiscal year; (ii) the fiscal year tax roll submitted to the County Auditor-Controller; (iii) the amount of all charges and credits to the Improvement Fund during the prior fiscal year, including interest earnings on the funds therein and charges for City

administration and any third party consultant or administration fees; (iv) the amount of Authorized Fees then advanced on behalf of Developer pursuant to Section 16 below; and (v) the amount, if any, of outstanding payments then approved for payment to Developer pursuant to approved Requests for Payment.

Section 10. Acquisition/Ownership of Facilities.

(a) Dedication of Authorized Facilities. Upon determination by Developer that an Authorized Facility is complete and ready for acceptance by the City, Developer shall execute and submit to City or other public agency or utility that will own and operate such Authorized Facility an offer of dedication (or other such instrument acceptable to the City or applicable public entity) irrevocably offering to transfer ownership of the Authorized Facility (the "Offer of Dedication").

(b) Review of Completed Construction. Upon delivery to City or other public agency or utility of the Offer of Dedication and upon (i) completion of the construction of an Authorized Facility, (ii) receipt of written notification from City's Inspectors that construction thereof has been completed in accordance with the plans and specifications thereof and the City's or other entity's standard requirements, and (iii) receipt of satisfactory proof, based on the records of Developer and the City and such certifications as the City may require, that the requirements of Section 6 hereof have been satisfied, the City shall notify Developer in writing that the construction of the Authorized Facility has been satisfactorily completed. Upon receiving such notification of a completed Authorized Facility, Developer shall forthwith file with the County Recorder of the County of Sacramento a Notice of Completion pursuant to the provision of Section 3093 of the California Civil Code. Developer shall furnish to the City a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Recorder. The costs incurred by the City in inspecting and approving the construction of the Authorized Facilities shall be paid by Developer, subject to reimbursement from Available Construction Proceeds. Upon recordation of a Notice of Completion, the City or other entity shall accept the Authorized Facility offered and the one-year warranty period provided in paragraph 11(c) shall commence.

(c) Ownership of Facilities. Notwithstanding the fact that some of the Authorized Facilities, or components or segments thereof, to be constructed by Developer for acquisition by the City or other public agency or utility may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, District or other entity, such Authorized Facilities, or components or segments, shall be and remain the property of Developer, and Developer shall be responsible for any loss or damage thereto or liability arising therefrom, until they are acquired by the City or other entity as provided in this Agreement. Such ownership by Developer shall likewise not be affected by any agreement which Developer may enter into with the City pursuant to the provisions of the Subdivision Map Act (Section 66410 et seq. of the California Government Code) which agreement may contain or include provisions with respect to the construction and ownership of Authorized Facilities which provisions may seem to be contradictory to the provision of this Agreement. The provisions of this Section shall control.

(d) Maintenance of Authorized Facilities. Until an Authorized Facility is acquired by the City or other public agency or utility, Developer shall maintain it, and shall keep the same free of any liens and in good operating condition. Upon the acceptance of an Offer of Dedication of an Authorized Facility by the City or other entity, the City or other entity shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to the warranty period in section 11(c).

(e) Dedication of Rights-of-Way. Notwithstanding the preceding provisions of this Section, the City will not acquire any Authorized Facilities, unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication.

(f) Expectations of the Parties. The City understands and agrees that (i) Developer may be constructing Authorized Facilities prior to the availability of Available Construction Proceeds that will be used to pay for such Authorized Facilities, (ii) the City or the other public agencies that will own and operate such Authorized Facilities may be inspecting such Authorized Facilities and processing and completing payment requests for the payment on such Authorized Facilities with knowledge that there may be insufficient Available Construction Proceeds available at such time, (iii) the Authorized Facilities may be conveyed to and accepted by the City or other local agency that will own and operate such Authorized Facilities when there are insufficient Available Construction Proceeds to pay the Acquisition Prices of such Authorized Facilities, and (iv) in any such case, the payment of any approved payment requests for the Acquisition Prices of such Authorized Facilities will be deferred until there are sufficient Available Construction Proceeds available to pay the Acquisition Prices of such Authorized Facilities, at which time the City will, from time to time and in as many installments as necessary, promptly make such payments in accordance with this Agreement. At all times, Developer will be constructing such Authorized Facilities with the expectation that the Acquisition Prices for such Authorized Facilities will be paid solely from the Available Construction Proceeds. The conveyance of Authorized Facilities to the City or a local agency that will own and operate such Authorized Facilities prior to receipt of the Acquisition Prices for such Authorized Facilities shall not be construed as a dedication or gift, or a waiver of the payment of the Acquisition Prices, or any part thereof, for such Authorized Facilities.

Section 11. Improvement Security.

(a) Security Prior to Final Maps. Notwithstanding the provisions of this Agreement, Developer shall be required to agree to construct and to secure the construction and completion of construction of the Authorized Facilities, or portions thereof, as a condition precedent to the approval of final subdivision or parcel maps for portions of Developer's Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

(b) Reduction in Amount of Improvement Bonds. The aggregate principal amount of the improvement bonds or other security provided by Developer pursuant to this Section shall be reduced by such amount as the City shall reasonably determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Authorized Facilities to be constructed or acquired with the Available Construction Proceeds provided by the sale of the Bonds and Special Tax Revenues.

(c) Performance Bonds-One Year Warranty. Developer warrants to the City or other public agency or utility having jurisdiction that the Authorized Facilities constructed by Developer and acquired by the City shall be free from defects in workmanship or materials for a period of one year from the date of acceptance by the City. All subdivision and performance bonds shall provide, among other things, that the principal thereof, whether that be Developer or its contractor(s), guarantees that the completed Authorized Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one (1) year from the date of

acceptance by the City or other public entity, and the obligation of the surety shall extend to the fulfilling of that guarantee. At the end of said one-year period, and subject to certification from the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease. For purposes of this Section 11, the correction of any defects in the Authorized Facility shall not mean the day-to-day upkeep or correction of normal wear and tear of the Authorized Facility (such as watering or weeding for landscape improvements, painting, graffiti removal, etc.).

Section 12. Gap Shortfall.

(a) “Gap Shortfall” Defined. The parties anticipate that a shortfall will occur between: (i) the anticipated cost of the Authorized Facilities as determined from the actual construction and design contracts and related invoices therefor and the actual costs of all other Authorized Facilities, and (ii) the Net Bond Proceeds (hereafter referred to as the **“Gap Shortfall.”**)

(b) Reimbursement of Gap Shortfall to Developer. To cover the Gap Shortfall, Developer agrees with the City to defer payment of the Gap Shortfall until and to the extent the District can impose and collect annual special taxes in excess of the amounts required annually to pay required debt service, replenish the debt service reserve fund, cure bond delinquencies and pay City administration costs associated therewith (**“Available Special Tax Revenues”**). In consideration of such deferral of payment of the Gap Shortfall, City covenants and agrees that the City shall levy and collect the special taxes against all properties within the District at the maximum rate permitted under the District and annually pay, after September 1st of each year, to Developer from Available Special Tax Revenues payments towards such deferred Gap Shortfall, for a period of ten (10) years (unless the Gap Shortfall is sooner paid in full) beginning with Available Special Tax Revenues in the first year the special tax is levied in the District (the **“Gap Shortfall Period”**); provided however, the Developer may elect to begin the 10 year period prior to the issuance of Bonds by giving a written request to the City; the levy shall thereafter be as defined in, permitted by and in accordance with Section E(1) of the RMA. After the expiration of the Gap Shortfall Period, City may use Available Special Tax Revenues for any other purpose authorized for the District, as determined by the City in its sole discretion. The method described herein of funding Authorized Facilities from accumulated Available Special Tax Revenues is known as the “Pay-As-You-Go” method of funding.

(c) Personal to Developer. Regardless of who pays the cost for any Authorized Facilities, the reimbursement of the Gap Shortfall hereunder shall be personal to Developer, shall not run with the land, and shall not be assigned by Developer without the written consent of the City, which shall not be unreasonably withheld.

(d) Payment of Authorized Fees in Advance of Available Construction Proceeds. The Developer may be required pursuant to the conditions of approval or the fee ordinance to pay the Authorized Fees for an Improvement Area prior to the availability of the Available Construction Proceeds to pay such Authorized Fees. In the event such Authorized Fees are paid prior to the availability of such Available Construction Proceeds, the amounts paid to the City shall be deemed to be deposits (each a “Deposit”) that are subject to refund by the City to Developer in the manner set forth in this Section 12. Any Deposits made to the City shall be deposited in a separate capital facilities account(s) and may be expended by the City in the ordinary course of business. The Developer acknowledges that the City may finance Authorized Fees with proceeds of tax-exempt bonds only if the City can meet certain requirements of federal tax law.

(e) Return of Deposits. If the Developer has made any Deposits, then following

deposit of Available Construction Proceeds with the City for the corresponding Authorized Fees, the City shall return to the Developer from the capital account in which the Deposits were deposited an amount equal to the Deposits paid by the Developer, without interest or other earnings thereon. The City shall be so obligated to return an amount equal to such Deposits to the Developer only to the extent that an amount equivalent to the amount of the Deposits made by the Developer or merchant builder is deposited with the City from the Available Construction Proceeds. An amount equal to such Deposits may be returned to the Developer from time to time as additional Available Construction Proceeds become available.

(f) Deposits Allocated First. Available Construction Proceeds used to pay Authorized Fees shall be allocated first for return of all Deposits prior to being allocated to the payment of Authorized Fees not previously deposited by the Developer. For example, if the Developer has paid \$10,000 in Deposits, and Available Construction Proceeds become available in the amount of \$15,000, the City shall apply the first \$10,000 of the Available Construction Proceeds to the payment of the Authorized Fees that were paid by the Deposits (and, thereafter, return the Deposits to the Developer) and use the remaining \$5,000 of the Available Construction Proceeds to the payment of Authorized Fees not previously paid by the Deposits and identified in the payment request.

(g) Application of Deposits. Any Deposits that have not been returned to the Developer at the time it is determined that there will be no further Available Construction Proceeds available (now or in the future) shall be retained by the City and may be used (to the extent it has not already been so used) for the purposes for which the Authorized Fee was required, and the unrefunded Deposits shall constitute full and final payment for such Authorized Fees, without any increase of any kind.

(h) Expectations. The Developer may pay Authorized Fees (as Deposits) prior to the availability of Available Construction Proceeds to pay such Authorized Fees. Any Authorized Fees paid (as Deposits) by the Developer for an Improvement Area shall be made with the understanding that such Deposits will be returned from the Available Construction Proceeds if, and when, such Available Construction Proceeds become available. The payment of Deposits prior to the availability of the Available Construction Proceeds shall not be construed as a dedication or gift of the Authorized Fees, or a waiver of the return of the Deposits, it being the intention that the Authorized Fees be paid by the Available Construction Proceeds to the extent of the Available Construction Proceeds.

Section 13. Construction of Joint Community Facilities. The parties acknowledge that the Developer requested the City to enter into a "JCFA" with the Cordova Recreation and Park District ("CRPD") and Sacramento County Water Agency ("SCWA") pursuant to Section 53316.2 of the Act, with respect to the payment of impact fees or improvements benefitting CRPD and SCWA respectively, authorized to be paid in whole or in part from the Special Taxes or proceeds of Bonds of the District. The City and Developer agree to comply with the JCFA requirements and to perform any and all covenants and agreements applicable to them under the JCFA.

Section 14. Construction of Other Facilities. Developer shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Authorized Facilities, which are necessary to the development of the Specific Plan and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Authorized Facilities. The provisions of this Section shall not supersede those of any other agreement between Developer

and the City.

Section 15. Indemnification; Insurance.

(a) Indemnity. Developer shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the construction of the Authorized Facilities to be constructed by Developer for acquisition by the City, including, but not limited to, liability, costs, expense and claims arising under the procedures set forth in Section 6 of this Agreement. Developer shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Authorized Facilities to be constructed by Developer for acquisition by the City prior to the time the City accepts the Authorized Facilities, whether or not such Authorized Facilities are to be acquired with Bond proceeds. The indemnity obligations of Developer as set forth herein shall terminate upon the end of the warranty period provided for in section 11(c).

(b) General Liability Insurance. Developer shall procure and provide, until construction of all of the Authorized Facilities to be constructed by Developer is completed and acceptance thereof by the City has occurred, a broad form comprehensive general liability policy of insurance, in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of \$2,000,000. Before commencing the construction of any Authorized Facility, Developer shall provide the City with a certification of insurance and endorsement as to such insurance, in a form acceptable to the City, and Developer shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

(c) Workers' Compensation Insurance. Developer shall also furnish to the City, prior to commencing the construction of any Authorized Facility to be constructed by Developer for acquisition by the City, a certificate of insurance evidencing that Developer has procured and have in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Developer in connection with the design and construction of the Authorized Facilities. Developer shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Authorized Facilities to provide and maintain such workers' compensation insurance and a broad form comprehensive general liability insurance policy in the amount hereinabove specified and in a form acceptable to the City. Developer shall provide to the City proof, in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

(d) Reimbursement for Insurance Premiums. The premiums paid by Developer for the insurance required by this Section may be included in the Acquisition Price to be paid by the City for the Authorized Facilities to be constructed by Developer as an incidental cost.

Section 16. Advances of Authorized Fees. At any time Developer may request that City pay or prepay any Authorized Fees from Available Construction Proceeds, however acceptance of any Developer request to pay or prepay Authorized Fees shall be subject to the sole discretion of the City. To facilitate the tracking and administration of such fee advances, the City may require that such request be submitted in a specific format. The City does not expect to allow the use of Bond proceeds to prepay any other fees (other than Authorized Fees) unless such advance payment of fees serves a need of the City, as determined at the City's sole discretion.

In the event Authorized Fees are paid or Authorized Facilities are funded from Available Construction Proceeds, Developer shall be entitled to fee credits, pursuant to City policies on fee credits, for Authorized Facilities that are acquired or constructed by the City and that are also included in the City's fee programs.

If an Authorized Facility or component thereof has been acquired from the Developer using Available Construction Proceeds, any reimbursement to the City for such item which comes from other revenue sources and which is otherwise payable to the Developer will be paid to the District and will be used first to pay for other Authorized Facilities and, thereafter, to reduce outstanding Bonds. Other revenue sources include fee revenues paid by other development projects not owned by the Developer or direct reimbursements from other development projects. If only a portion of the Acquisition Price for an Authorized Facility is paid to Developer using Available Construction Proceeds, then any reimbursement for such Authorized Facility which comes from other revenue sources shall be paid first to Developer until the balance of the Acquisition Price is paid to Developer, and thereafter any additional reimbursement from other revenue sources shall be paid to the City as provided above.

City acquisition or construction of an Authorized Facility shall not prevent Developer from receiving refunds of fees paid by development within the District that would have been off-set by fee credits, but for the timing of completion of the Authorized Facility. In particular, the City's fee credits policy requires 20% of the anticipated fee credits to be reserved until the improvement generating such fee credits is accepted and a final accounting is completed. If the 80% amount allowed to be taken as fee credits is exhausted prior to completion of an Authorized Facility, City policy provides that some or all of the 20% amount reserved for fee credits will be paid by the City as a fee reimbursement, instead of being taken as fee credits, to the extent development within the District continues and fees for such improvement are paid prior to such completion. Payment of the Acquisition Price for such Authorized Facility shall not prevent City from providing any such fee refunds pursuant to City policy.

Section 17. Binding on Community Facilities District. The District is deemed to be a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall so apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

Section 18. Assignment. Developer may not assign this Agreement or any right or duty hereunder without the express written approval of the City. The City may condition any such approval on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Developer under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Developer hereunder shall not be unreasonably withheld or delayed.

Section 19. Prompt Action. All consents, approvals and determinations required of either the City or Developer pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

Section 20. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of the parties and shall not be construed to confer any rights or benefits upon any persons other than the City and Developer. This Agreement shall, however, inure to the benefit of and be

binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against the other party with respect to this Agreement or the design and acquisition or construction of the Authorized Facilities, the party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness' fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience only, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.

CITY OF RANCHO CORDOVA,
a municipal corporation

LENNAR HOMES OF CALIFORNIA, LLC
a California limited liability company

By: _____
Kim Juran
Administrative Services Director

By: _____
Name: _____
Title: _____

EXHIBIT A**List of Authorized Facilities and Authorized Fees**

The City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the "CFD"), Improvement Area No. 1 of the CFD, and each Improvement Area designated in the future in conjunction with subsequent annexations of all or any part of the Future Annexation Area or any other property is authorized to finance all or a portion of the costs of acquisition, construction, and improvement of facilities generally described as follows:

Facilities

The Facilities which are proposed to be financed with the proceeds of the sales of bonds of the proposed CFD, or the payment of the fees to the appropriate jurisdiction with respect to such facilities proposed to be financed with the proceeds of the sale of bonds of the proposed CFD, are generally described as follows:

- Park Improvements
- Chrysanthy Blvd Improvements
- Americanos Blvd Improvements
- In-tract Improvements for development within the CFD

Impact, Development Agreement and Specific Plan Fees for Facilities

- Transportation Impact Fee
- Sunrise Douglas Community Plan Roadway Impact Fee
- City Supplemental Transportation Fee
- Park Renovation Fee
- Sunrise Douglas Park Fee
- Sacramento County Water Agency Zone 40 Water Fee

Other

- Any other facilities serving substantially the same purpose as the above described facilities.
- Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District, or 2) repair or rehabilitate existing District facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

EXHIBIT B

Payment Request Form

**City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1**

Request for Payment

The undersigned (the “**Developer**”) hereby requests payment pursuant to the Funding, Construction and Acquisition Agreement dated _____, 2024 (the “**Agreement**”), between the City of Rancho Cordova and LENNAR HOMES OF CALIFORNIA (“**Developer**”), in the total amount of \$_____. (Capitalized terms used herein unless otherwise defined herein shall have the meanings ascribed thereto in the Agreement.) The payment requested is for the portion of the Authorized Facility that has been completed by Developer (the “**Completed Work**”) and is the subject of this request for payment, as more fully described in Schedule 1 attached hereto.

In connection with this request for payment, the undersigned hereby represents and warrants to City as follows:

1. The person executing this request on behalf of the Developer is duly authorized to do so and is knowledgeable as to the matters set forth herein.

2. The Completed Work described in **Schedule 1** hereto has been constructed in accordance with the approved plans therefor.

3. The true and correct actual cost of the Completed Work for which payment is requested is set forth in **Schedule 1**.

4. Attached hereto are invoices, receipts, worksheets and other evidence of actual cost that are in sufficient detail to allow City Inspectors and City consultants to verify the actual cost of the Completed Work for which payment is requested. The amount requested hereby [excludes a retention of 5% of the amounts invoiced] [includes an amount previously retained from payment] pursuant to the terms of a construction contract.

5. There has not been filed with or served upon the Developer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein that has not been released or will not be released simultaneously with the payment of such obligation, other than materialman’s or mechanics’ liens accruing by operation of law. Copies of lien releases for all Completed Work for which payment is requested hereunder are attached hereto.

6. The Developer is in compliance with the terms and provisions of the Agreement. Payment of the amount requested hereby should be made payable to:

_____ and sent to: _____
at the following address: _____

I(we) hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Developer:

LENNAR HOMES OF CALIFORNIA,
a California corporation

By: _____

Name: _____

Title: _____

(ATTACHMENT)

SCHEDULE 1
Description of Completed Work and Cost

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER [20], 2023

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 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. Interest on the Bonds may be subject to the corporate 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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

Dated: Date of Delivery

Due: September 1, as shown on inside cover

Authority for Issuance. The above-captioned bonds (the "Bonds") are being issued by the City of Rancho Cordova (the "City") by and through Improvement Area No. 1 (the "Improvement Area No. 1") of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the "District"). The 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 January 1, 2024 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"). See "THE 2024 BONDS – Authority for Issuance."

Security and Sources of Payment. The Bonds are secured by and payable from a pledge of Special Tax Revenues (as defined herein) levied on property within Improvement Area No. 1 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 Improvement Area No. 1 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 Improvement Area No. 1. 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 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. See "SECURITY FOR THE 2024 BONDS."

Property in Improvement Area No. 1 subject to the Special Tax is comprised of land in the City of Rancho Cordova, Sacramento County, California, entitled for development of 209 single-family homes in six villages, as well as public and quasi-public uses, parks and open space not subject to the Special Tax. It is part of a larger development being undertaken by Lennar Homes of California, LLC, a California limited liability company ("Lennar Homes"), that is anticipated to consist of a total of 573 single-family homes at build-out. Only the 209 single-family homes are currently in Improvement Area No. 1 and constitute security for the Bonds. See "IMPROVEMENT AREA NO. 1" and "OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1."

Use of Proceeds. The Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the District and Improvement Area No. 1; (ii) make a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on a portion of the Bonds through and including September 1, 2024; and (iv) pay the costs of issuance of the Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2024. The Bonds will be issued in the denomination of \$5,000 or integral multiples of \$5,000 in excess thereof. The 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 Bonds. See "THE 2024 BONDS – Description of the Bonds" and "APPENDIX G – DTC and the Book-Entry Only System."

Redemption. The Bonds are subject to optional redemption, mandatory sinking fund redemption, and special mandatory redemption from prepaid Special Taxes. See "THE 2024 BONDS – Redemption."

THE 2024 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 Bonds. Potential investors should read this entire Official Statement to obtain information essential for making an informed investment decision. Investment in the 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 Bonds.

The 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 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about January 25, 2024*.

[PIPER LOGO]

The date of this Official Statement is: _____, 2024.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$ _____ Serial Bonds
(Base CUSIP†: _____)

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP† ()</u>
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\$ _____ % Term Bond due September 1, _____, Yield: _____%, Price: _____%;
CUSIP† _____

† Copyright 2023, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc., and are provided for convenience of reference only. Neither the City nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

CITY OF RANCHO CORDOVA

City Council

Linda Budge, Mayor
David M. Sander, Ph.D., Vice Mayor
Garrett Gatewood, Councilmember
Siri Pulipati, Councilmember
Donald Terry, Councilmember

Staff

Micah Runner, 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 Trust Company, National Association
Seattle, Washington

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OFFICIAL STATEMENT

\$ _____ *

CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

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**”) of the above-captioned bonds (the “**Bonds**”), for and on behalf of its Improvement Area No. 1 (“**Improvement Area No. 1**”) of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “**District**”).

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 Bonds to potential investors is made only by means of the entire Official Statement.

The District, Improvement Area No. 1 and Future Annexation Area. The District was established, Improvement Area No. 1 was designated as an improvement area within the District, and a future annexation area was created for the District (the “**Future Annexation Area**”), pursuant to proceedings conducted by the City under 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**”).

The Bonds. The Bonds are issued pursuant to the provisions of the Mello-Roos Act, a Fiscal Agent Agreement, dated as of January 1, 2024 (the “**Fiscal Agent Agreement**”) between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “**Fiscal Agent**”), and a resolution adopted on December [18], 2023 by the City Council of the City, which authorized the issuance of the Bonds (the “**Resolution**”).

* Preliminary; subject to change.

Registration of Ownership of the Bonds. The 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 Bonds is payable on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2024. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the 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 Bonds. Payments of the principal, premium, if any, and interest on the 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 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 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 are anticipated to consist of public capital facilities, such as roadway, storm drain, water, sewer, and park improvements funded with development impact fees payable to the City and other local agencies in connection with the project. Proceeds of the Bonds will also be used to make a deposit in the Reserve Fund (defined herein), pay capitalized interest on a portion of the Bonds through and including September 1, 2024, and pay the cost of issuance of the Bonds.

Security and Sources of Payment of the Bonds. The 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, excluding any interest and penalties thereon collected in connection with delinquent Special Taxes, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, 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 Improvement Area No. 1 under the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 (the “**Special Tax Formula**”), and “**Administrative Expense Priority**” means (i) for Fiscal Year 2023-24, \$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.

The Bonds are also payable from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including the 2024 Reserve Account of the Reserve Fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in Improvement Area No. 1 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 in Improvement Area No. 1 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 2024 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 Bonds are outstanding, the City will annually levy the Special Tax against all taxable land within Improvement Area No. 1 in accordance with the proceedings for the authorization and issuance of the 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 Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See “SECURITY FOR THE 2024 BONDS – Special Taxes” herein.

On August 7, 2023, the City Council, as legislative body of the CFD and Improvement Area No. 1, established the bonded indebtedness limit for the District in the principal amount of not to exceed \$53,200,000 (excluding bonds described in Section 53364.2(e) of the Mello-Roos Act) (the “**Authorization**”), initially allocated as follows: (i) for Improvement Area No. 1, \$18,800,000 and (ii) for land within the Future Annexation Area, \$34,400,000. The Bonds are the first series of bonds being issued by the City for Improvement Area No. 1, and additional bonds secured on parity with the Bonds may only be issued for refunding purposes.

In connection with the issuance of the Bonds, the City will direct the Fiscal Agent to establish a “**Reserve Fund**,” and within the Reserve Fund, the “**2024 Reserve Account**,” which will be funded in an amount equal to the Reserve Requirement (described herein) with respect to the Bonds. Amounts in the 2024 Reserve Account of the Reserve Fund are available for payment of the Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies. See “SECURITY FOR THE 2024 BONDS – Reserve Fund.” 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.

Property Subject to the Special Tax. Property in Improvement Area No. 1 subject to the Special Tax is comprised of land in the City of Rancho Cordova, Sacramento County, California, entitled for development of 209 single-family homes, as well as public and quasi-public uses, parks and open space not subject to the Special Tax. The 209 homes planned for Improvement Area No. 1 are being developed by Lennar Homes of California, LLC, a California limited liability company (“**Lennar Homes**”), and marketed as Verdant II, Viridian II, Celedon, Jade and Midori. The development of the 209 planned homes are part of a larger development that is anticipated to consist of a total of 573 single-family homes at build-out. *Only the 209 single-family homes are currently in Improvement Area No. 1 and constitute security for the Bonds.*

In connection with a land banking transaction, on May 26, 2023, Lennar Homes transferred the 209 lots in Improvement Area No. 1 (the “**Land Bank Lots**”) to AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (the “**Land Bank Owner**”). In connection therewith, Lennar Homes and the Land Bank Owner entered into that certain Option Agreement, dated May 26, 2023 (the “**Lennar Option Agreement**”) whereby Lennar Homes has the option, but not the obligation, to purchase the Land Bank Lots from the Land Bank Owner beginning on May 26, 2023 and extending through September 10, 2026 (unless sooner terminated pursuant to the Lennar Option Agreement).

As of October 15, 2023, Lennar Homes was under construction on 19 models and 49 production homes, and anticipates opening its model complex in December 2023. See the table on the following page and “IMPROVEMENT AREA NO. 1” and “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1” for additional details.

**Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Status of Development – As of October 15, 2023**

Project	No. Lots	Building Permits Pulled ⁽¹⁾	Units Completed and Closed to Individuals	Units Completed and owned by Developer	Units under Construction ⁽¹⁾	Finished Lots	Final Map Lots
Verdant II	72	20	0	0	20	72	72
Viridian II	33	15	0	0	15	33	33
Celedon	51	15	0	0	15	51	51
Jade	50	15	0	0	15	50	50
Midori	3	3	0	0	3	3	3
Total	209	68	0	0	68	209	209

(1) Consists of 19 model homes and 49 production homes.

Source: Lennar Homes.

Value of Property. Property in Improvement Area No. 1 is security for the Special Tax. The City ordered preparation of an appraisal report dated October 19, 2023 and a bring-forward letter dated November 30, 2023 (together, the “**Appraisal**”), of the estimated value of the taxable land within Improvement Area No. 1 as of a date of value of October 15, 2023 and confirming a “not-less-than value” of such property as of November 30, 2023, prepared by Integra Realty Resources, Sacramento, California (the “**Appraiser**”). The Appraiser indicated a value estimate of \$41,663,000 as of the date of value, and is 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 Bonds. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1.”

The principal amount of the direct and overlapping debt in Improvement Area No. 1 is \$9,492,705*, which consists of the estimated amount of Bonds (\$9,000,000*) and \$492,705 of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in Improvement Area No. 1 subject to the Special Tax lien (\$41,663,000), is approximately 4.4* times the principal amount of the direct and overlapping debt in Improvement Area No. 1. This is an average, and individual parcels may have value-to-lien ratios that are substantially different. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Value to Special Tax Burden Ratios.”

Land may annex into Improvement Area No. 1 or a separate improvement area established for the District from the Future Annexation Area upon the unanimous approval of the owner(s) thereof, without any further proceedings of the City Council. Currently, no annexations into Improvement Area No. 1 are contemplated and per the Fiscal Agent Agreement, parity special tax bonds can only be issued for refunding purposes.

Risks of Investment. Investment in the Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS’ RISKS” for a discussion of special

* Preliminary; subject to change.

factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Bonds.

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 Bonds. The 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 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 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 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 Improvement Area No. 1 since the date hereof.

FINANCING PLAN

The Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the District and Improvement Area No. 1 (referred to herein as the Facilities); (ii) make a deposit into the 2024 Reserve Account of the Reserve Fund equal to the Reserve Requirement with the Bonds; (iii) fund capitalized interest on a portion of the Bonds through and including September 1, 2024; and (iv) pay the costs of issuance of the Bonds.

A summary of the estimated sources and uses of funds associated with the sale of the Bonds follows:

Estimated Sources of Funds:	
Principal Amount of the Bonds	\$
Plus/less: [Net] Original Issue Premium/Discount	
Total	\$
Estimated Uses of Funds:	
Deposit to Improvement Fund	\$
Deposit to 2024 Reserve Account of Reserve Fund ⁽¹⁾	
Deposit to Capitalized Interest Account of Bond Fund ⁽²⁾	
Costs of Issuance ⁽³⁾	
Total	\$

(1) Equal to the Reserve Requirement with respect to the Bonds.

(2) Used to pay capitalized interest on a portion of the Bonds through and including September 1, 2024.

(3) Used to pay costs of issuance of the 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, Municipal Advisor, fees of Bond Counsel and Disclosure Counsel, and other costs of issuance.

THE 2024 BONDS

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution adopted by the City Council on December [18], 2023, and the Mello-Roos Act.

On August 7, 2023, the City Council, as legislative body of the CFD and Improvement Area No. 1, established the bonded indebtedness limit for the CFD in the principal amount of not to exceed \$53,200,000 (excluding bonds described in Section 53364.2(e) of the Act) (the “Authorization”), initially allocated as follows: (i) for Improvement Area No. 1, \$18,800,000 and (ii) for land within the Future Annexation Area, \$34,400,000. Under the provisions of the Mello-Roos Act, since there were fewer than 12 registered voters residing within Improvement Area No. 1 at any point during the 90-day period preceding the adoption of the City’s resolution forming the District on August 7, 2023 (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 Improvement Area No. 1. The landowner voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within Improvement Area No. 1, for the purpose of paying for the Facilities, including repaying any indebtedness of Improvement Area No. 1, replenishing reserve funds and paying administrative expenses.

The Bonds are the first series of bonds being issued by the City for Improvement Area No. 1 and the District; after issuance of the Bonds, additional bonds secured on parity with the Bonds may only be issued for refunding purposes.

Description of the Bonds

The 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 Bonds will not receive physical certificates representing their interest in the Bonds. So long as the 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 Bonds. Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by U.S. Bank Trust Company, National Association, as the fiscal agent, registrar and transfer agent (the “**Fiscal Agent**”) for the Bonds, so long as DTC or Cede & Co. is the registered owner of the 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 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 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 Bonds.

Interest on the 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 March 1, 2024. Interest on the 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 Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such 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 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 Bond, interest is in default thereon, such 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 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 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 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 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 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 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 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 Bonds to be priced with original issue premium and then be redeemed from Special Tax prepayments prior to maturity.

Mandatory Sinking Fund Redemption. The 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
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September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
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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 Bonds.

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 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 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 Bonds designated for redemption, at their addresses appearing on the 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 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and number of each Bond to be redeemed or shall state that all Bonds between two stated numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such 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 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 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 Bonds then called for redemption, and such cancellation shall not constitute an event of default.

Upon the payment of the redemption price of 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 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 Bonds of any maturity, the Fiscal Agent shall select the Bonds to be redeemed, from all 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 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 Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or 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 Bonds so called for redemption shall have been deposited in the Bond Fund, such 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 Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds shall be made in accordance with DTC procedures. See APPENDIX G. Any 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 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of 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 Bonds 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.

SECURITY FOR THE 2024 BONDS

The Bonds are secured 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 Taxes annually received by the City, excluding any interest and penalties thereon collected in connection with delinquent Special Taxes, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, 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 2023-24, \$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.

All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, the Special Tax Fund are hereby pledged to secure the repayment of the Bonds. In addition, the 2024 Bonds shall be secured by a pledge of all amounts in the Reserve Fund, and a 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 Bonds as provided in the Fiscal Agent Agreement and in the Mello-Roos Act until all of the 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 Bonds only for refunding purposes; 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 Bonds. The Facilities are not in any way pledged to the repayment of the Bonds. Any proceeds of condemnation, destruction or other disposition of any Facilities are not pledged to the repayment of the 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 Improvement Area No. 1 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 Improvement Area No. 1. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on such property within Improvement Area No. 1, 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 City may levy in any year on taxable property in Improvement Area No. 1, from which principal and interest on the Bonds is to be paid, is limited by the maximum rates approved by the qualified electors within Improvement Area No. 1 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 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 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 Improvement Area No. 1 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 Improvement Area No. 1 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 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 Improvement Area No. 1 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 Improvement Area No. 1 in an amount at least sufficient to pay debt service on outstanding Bonds and administrative expenses. 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 Improvement Area No. 1.

Each year, the City will determine the Special Tax Requirement 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 (vi) to pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax on Final Map Property or 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 Improvement Area No. 1 except tax-exempt parcels as described in the Special Tax Formula.

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 Single Family Property or Other Property, (iii) for Single Family Property, determine within which Village each Parcel of Developed Property is located and the number of Residential Units on the Parcel; (iv) for Other Property, determine the Acreage of each Parcel; and (v) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits 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 property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class and/or Land Use Category than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class and/or Land Use Category, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

Assignment of Maximum Special Tax. The Special Tax Formula describes in detail the precise method for assigning the Maximum Special Tax to parcels within Improvement Area No. 1, 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. Changes to maximum

special tax rates due to Land Use Changes are handled per Section D of the Special Tax Formula. See APPENDIX A.

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. The Base Special Tax rates for Fiscal Year 2024-25 are set forth in the following table. For additional details, see APPENDIX A.

**Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Base Special Tax Rates – Developed Property and Final Map Property**

Tax Zone	Land Use Category	Fiscal Year 2024-25	
		Base Special Tax ⁽¹⁾⁽²⁾	
Tax Zone 1	Single Family Property	\$2,346.00	per Residential Unit / SFD Lot
	Other Property	\$24,202.56	per Acre
Tax Zone 2	Single Family Property	\$2,653.02	per Residential Unit / SFD Lot
	Other Property	\$27,118.74	per Acre
Tax Zone 3	Single Family Property	\$2,825.40	per Residential Unit / SFD Lot
	Other Property	\$23,302.92	per Acre
Tax Zone 4	Single Family Property	\$3,234.42	per Residential Unit / SFD Lot
	Other Property	\$26,873.94	per Acre
Tax Zone 5	Single Family Property	\$3,637.32	per Residential Unit / SFD Lot
	Other Property	\$29,251.56	per Acre

(1) On July 1, 2025 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 Improvement Area No. 1. Subject to change pursuant to Section D of the RMA.

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.

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:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied is equal to the Special Tax Requirement, prior to applying any Capitalized Interest that is available.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property.

Step 3: If additional revenue is needed after Step 2 in order to meet 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 of Undeveloped Property.

Step 4: If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Welfare Exemption Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Welfare Exemption Property.

Step 5: If additional revenue is needed after Step 4, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property.

Step 6: If additional revenue is needed after Step 5, 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.

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 2063-64.

Prepayment of the Special Tax. The Special Tax obligation assigned to a particular parcel within Improvement Area No. 1 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 2024 BONDS – Redemption.”

Projected Fiscal Year 2024-25 Special Tax Levy. The following table shows the projected Fiscal Year 2024-25 special tax levy by tax zone for Improvement Area No. 1

**Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Projected Fiscal Year 2024-25 Special Tax Levy by Tax Zone⁽¹⁾**

Tax Zone	Projected FY 2024-25 Maximum Special Tax	Projected FY 2024-25 Actual Special Tax ⁽²⁾
Tax Zone 1	\$168,912	\$151,798
Tax Zone 2	87,550	80,850
Tax Zone 3	144,095	129,826
Tax Zone 4	161,721	145,839
Tax Zone 5	10,912	10,912
Totals	\$573,190	\$519,225

(1) Based on building permits issued by October 15, 2023 and final maps recorded by June 30, 2023.

(2) Includes anticipated debt service due in 2025 on the 2024 Bonds and estimated administrative expenses in the amount of \$30,600. The Administrative Expense Priority for Fiscal Year 2023-24 is \$30,000 and escalates by 2% per year.

Sources: Goodwin Consulting Group, Inc.

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.

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 Bonds

The Bonds are additionally secured by certain amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. The proceeds of the initial purchase of the Bonds shall be paid to the Fiscal Agent, who shall deposit such proceeds in the 2024 Costs of Issuance Fund, the Improvement Fund, the Bond Fund (for capitalized interest) 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 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.

In the Fiscal Agent Agreement the City covenants for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Sacramento relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient it will enforce the lien of the Special Taxes by commencing, or cause to be commenced, foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimate cost of legal proceedings, the status of Special Tax collections and available debt service reserves, under the following circumstances:

- (a) if 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 enforce the lien on all delinquent parcels; or
- (b) if property owned by any single property owner in Improvement Area No. 1 is delinquent on four consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 1) it will enforce the lien against such property.

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 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 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 Improvement Area No. 1 subject to the Special Tax to provide an amount required to pay debt service on the 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 WITHIN IMPROVEMENT AREA NO. 1 – 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 City anticipates that the Teeter Plan will be applicable to the Special Tax levied in Improvement Area No. 1, but no assurance can be given that it will continue in any or all of the years that the 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 Improvement Area No. 1, the County's Teeter Plan may help protect owners of the 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 Improvement Area No. 1 or particular delinquent parcels from its Teeter Plan in any year while the 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

Under the Fiscal Agent Agreement, the Fiscal Agent established the Reserve Fund and the 2024 Reserve Account therein, which is available for payment of the Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies.

The City is required to maintain on deposit in the 2024 Reserve Account of the Reserve Fund an amount that is equal to the Reserve Requirement with respect to the Bonds. The "**Reserve Requirement**" means the least of (i) 125% of the average Annual Debt Service with

respect to the Bonds; (ii) Maximum Annual Debt Service with respect to the Bonds; and (iii) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of the 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 a series 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.

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.”

No Additional Bonds, Except for Refunding

The Resolution of Formation authorizes the issuance of up to \$18,800,000 of bonded indebtedness for Improvement Area No. 1; the Bonds represent the first series of bonds and under the provisions of the Fiscal Agent Agreement the City is precluded from issuing additional bonds secured by the Special Taxes on parity with the Bonds, except for refunding bonds issued under the Mello-Roos Act.

As an alternative to issuing additional parity bonds, the City may issue bonds for Improvement Area No. 1 secured by Special Taxes on a subordinate basis to the Bonds.

Debt Service Schedule. The annual debt service on the Bonds 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).

Period Ending Sept. 1	Bonds Principal	Bonds Interest ⁽¹⁾	Bonds Total Debt Service
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(1) A portion of the interest on the Bonds due through September 1, 2024 will be paid from capitalized interest.
Source: Underwriter.

Projected Debt Service Coverage. The projected debt service coverage for Fiscal Year 2024-25 is set forth below, and is based on the current status of development and only the Bonds outstanding. To the extent that development status changes, the debt service coverage may be different than what is shown. The Bonds have been structured so there is at least 110% debt service coverage in every year the Bonds are outstanding.

**City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Projected Fiscal Year 2024-25 Debt Service Coverage⁽¹⁾⁽²⁾**

Maximum Special Tax Developed and Final Map Property⁽³⁾	Priority Administration⁽⁴⁾	Estimated Debt Service*	Debt Service Coverage from Developed and Final Map Property*
\$573,190	(\$30,600)	\$488,625	111.04%

* 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 Improvement Area No. 1. Subject to change pursuant to Section D of the RMA.

(3) Includes projected Maximum Special Tax revenues based on the status of development as of October 15, 2023. Assumes no future development.

(4) As defined in the Fiscal Agent Agreement. Equals \$30,000 in Fiscal Year 2023-24, escalating by 2% per year thereafter.

Sources: Piper Sandler & Co.; Goodwin Consulting Group, Inc.

IMPROVEMENT AREA NO. 1

Formation and Background

On July 3, 2023, the City Council adopted a Resolution of Intention to form the District, designate Improvement Area No. 1 as an improvement area therein, and establish the Future Annexation Area, 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 August 7, 2023, the City Council adopted the Resolution of Formation, which established the District, designated Improvement Area No. 1 therein, and created the Future Annexation Area, approved the Special Tax Formula for Improvement Area No. 1 and set forth the necessity to incur bonded indebtedness for the District and Improvement Area No. 1 in a total amount not to exceed \$53,200,000 (excluding bonds or notes described in Section 53364.2(e) of the Mello-Roos Act), initially allocated as follows: (i) for Improvement Area No. 1, \$18,800,000 and (ii) for the portion of the District that is not currently in Improvement Area No. 1, \$34,400,000. On the same day, an election was held within Improvement Area No. 1 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 within Improvement Area No. 1. See “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1” below.

Description and Location

General. The development ongoing in the District is referred to by the City as the “Grantline 220” or “Pradera Ranch” project, and is generally located at the southwest corner of Grant Line Road and Chrysanthy Boulevard in the “Sun Creek Specific Plan” area of the City. Pradera Ranch is planned for a total of 573 residential lots, a multifamily project, two neighborhood parks, a school, several open space parcels, and supporting associated infrastructure.

The 209 units represent the first phase of the project, with an additional 364 residential units located within the Future Annexation Area established for the District. Accordingly, on build-out, Lennar Homes anticipates a total of 573 single-family homes. *Only the land within Improvement Area No. 1 constitutes security for the Bonds.*

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, including Improvement Area No. 1 therein.

[Insert CFD Boundary Map]

[Insert Site Plan Map]

Development in Improvement Area No. 1

Lennar Homes has provided the following information with respect to development within Improvement Area No. 1. 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.

Overview. The development ongoing in the District is referred to by the City as the “Grantline 220” or “Pradera Ranch” project, and is generally located at the southwest corner of Grant Line Road and Chrysanthy Boulevard in the “Suncreek Specific Plan” area of the City. The land within Improvement Area No. 1 consists of 209 residential lots with lot sizes ranging from 4,725 to 7,200 square feet. Lennar Homes is developing the 209 lots into five residential communities, known as Verdant II, Viridian II, Celedon, Midori and Jade at Pradera Ranch.

The 209 units represent the first phase of the project (sometimes referred to as “Unit 1” and “Unit 2”), with an additional 364 residential units (sometimes referred to as “Units 3-5”) located within the Future Annexation Area established for the District. Accordingly, on build-out, Lennar Homes anticipates a total of 573 single-family homes. *Only the land within Improvement Area No. 1 constitutes security for the Bonds.*

Development Agreement – General. The City entered into a Development Agreement, dated January 21, 2014 (the “**Development Agreement**”) with Grantline & Chrysanthy 220 Investors, LLC, a California limited liability company (“**Chrysanthy 220**”), which subsequently assigned its rights and obligations thereunder to Lennar Homes. All of the property in Improvement Area No. 1 and the Future Annexation Area is subject to the requirements of the Development Agreement. The Development Agreement was entered into in accordance with Sections 65864 through 65869.5 of the California Government Code, as implemented through applicable provisions of the City Code.

The Development Agreement is the primary implementation tool for the development ongoing in Improvement Area No. 1 and is intended to create a binding contract between the City and Lennar Homes (as assignee of Chrysanthy 220), and their assigned successors in interest, which set forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and Lennar Homes and its successors, including obligations related to development of the property in the District, with the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development of the property in the District according to the entitlements. Included are provisions relating to infrastructure improvements, public dedication requirements, landscaping amenities and other obligations of the parties. The Development Agreement has a 30-year term, runs with the property, and may be modified only by mutual consent of the City and Lennar Homes. With the Development Agreement in place, subject to compliance with the terms of the Development Agreement, construction of homes within Improvement Area No. 1 may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits.

Improvements. The Development Agreement sets forth the responsibility of Lennar Homes and its successors for a portion of the costs of certain public improvements required for

its development; Lennar Homes does not believe any of these improvements will impair its ability to timely obtain building permits.

Funding of the Improvements with the proceeds of the Bonds will satisfy a portion, but not all, of the relevant obligations of Lennar Homes for infrastructure improvements required by the Development Agreement. The improvements not funded from the Bonds or Special Taxes are required to be funded by Lennar Homes and subsequent successors in interest. See "THE IMPROVEMENTS" below.

No Affordable Units. There are no affordable unit requirements within Improvement Area No. 1.

Flood Hazard Map Information. According to the Federal Emergency Management Agency's flood insurance rate maps (Flood Area Panel Number 06067C-0240J, with an effective date of July 19, 2018), the developable portions of the property in Improvement Area No. 1 are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains).

Seismic Conditions. The developable portions of the property in Improvement Area No. 1 are not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

Wildfire Hazards. Land in Improvement Area No. 1 is not located in a High or Very High Fire Hazard Severity Zone (FHSZ), as defined by CAL FIRE.

Environmental Mitigation. According to Lennar Homes, all environmental mitigation requirements have been met for all of the 209 lots within Improvement Area No. 1.

Entitlements/Product Lines. The entitlements for the project permit a development proposal related to a particular parcel to proceed through tentative map subdivision and design-review permitting processes to final mapping provided the development application is in accord with the entitlements and the final map conditions. Lennar Homes has received all necessary approvals to develop the 209 lots within Improvement Area No. 1, including, but not limited to, approval of Specific Plan Zoning and a Development Agreement, and subsequently received a Section 404 (wetlands) permit, California Water Board Section 401 Certification, and U.S. Fish and Wildlife Service Biological Opinion. Lennar Homes has also received a grading permit and site improvement plans to complete all planned 209 units in Improvement Area No. 1.

Final small-lot subdivision maps have been received for all 209 residential units in Improvement Area No. 1. Lennar Homes is developing the property in Improvement Area No. 1 in five product lines: Verdant II, Viridian II, Celedon, Midori and Jade. Each home in each product line will be a single-family, detached home.

Additional information regarding sales and pricing for each product line follows:

**Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Status of Development – As of October 15, 2023**

Project	No. Lots	Building Permits Pulled ⁽¹⁾	Units Completed and Closed to Individuals	Units Completed and owned by Developer	Units under Construction ⁽¹⁾	Finished Lots	Final Map Lots
Verdant II	72	20	0	0	20	72	72
Viridian II	33	15	0	0	15	33	33
Celedon	51	15	0	0	15	51	51
Jade	50	15	0	0	15	50	50
Midori	3	3	0	0	3	3	3
Totals	209	68	0	0	68	209	209

(1) Consists of 19 model homes and 49 production homes.
Source: Lennar Homes.

**Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Base Pricing – As of October 15, 2023**

Project	No. of Lots	Floorplan Sq. Ft.	Base Pricing ⁽¹⁾
Verdant II	72	1,579 – 2,528	\$536,990 – 643,990
Viridian II	33	1,596 – 2,609	\$565,990 – 670,990
Celedon	51	1,765 – 2,966	\$598,990 – 718,990
Jade	50	1,991 – 3,025	\$638,990 – 739,990
Midori	3	2,510 – 3,308	\$700,000 – 779,000
Totals	209		

(1) Base Pricing as of October 15, 2023. Excludes upgrades, concessions, and other offsets in pricing.
Source: Lennar Homes.

Backbone and In-Tract Infrastructure. The conditions of development for the project require the construction of various improvements at various times. As of October 2, 2023, all required backbone and in-tract infrastructure was in place for the development and sale of the 209 planned single-family homes in Improvement Area No. 1.

Land-Banking Arrangement With AG. In connection with a land banking transaction, on May 26, 2023, Lennar Homes transferred all 209 lots in Improvement Area No. 1 (the “**Land Bank Lots**”) to AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (the “**Land Bank Owner**”). In connection therewith, Lennar Homes and the Land Bank Owner entered into that certain Option Agreement, dated May 26, 2023 (the “**Lennar Option Agreement**”) whereby Lennar Homes has the option, but not the obligation, to purchase the Land Bank Lots from the Land Bank Owner beginning on May 26, 2023 and extending through September 10, 2026 (unless sooner terminated pursuant to the Lennar Option Agreement).

Lennar Homes is responsible for making special tax payments while the Lennar Option Agreement is in place. In the event that Lennar Homes does not exercise its option or the right to purchase the lots expires or is terminated, the Land Bank Owner being an investor only and not a homebuilder, would likely attempt to sell such lots to another merchant builder. Under the Lennar Option Agreement, Lennar has the option to take-down lots in accordance with the following take-down schedule:

Lennar Option Agreement – Take-Down Schedule

<u>Cumulative Lot Absorptions by Lot Type</u>							
Option Period	Date Option Period Expires	Lot A	Lot B	Lot C	Lot D	Lot E	Total
1	06/10/2023	0	0	0	0	0	0
2	07/10/2023	0	0	0	0	0	0
3	08/10/2023	3	3	3	4	3	16
4	09/10/2023	7	7	7	8	7	36
5	10/10/2023	11	11	11	12	11	56
6	11/10/2023	15	15	15	16	15	76
7	12/10/2023	19	19	19	20	19	96
8	01/10/2024	23	23	23	24	23	116
9	02/10/2024	27	27	27	28	27	136
10	03/10/2024	31	31	31	32	31	156
11	04/10/2024	35	35	35	36	35	176
12	05/10/2024	39	39	39	40	39	196
13	06/10/2024	43	43	43	44	43	216
14	07/10/2024	47	47	47	48	47	236
15	08/10/2024	51	51	51	52	51	256
16	09/10/2024	55	55	55	56	55	276
17	10/10/2024	59	59	59	60	59	296
18	11/10/2024	63	63	63	64	63	316
19	12/10/2024	67	67	67	68	67	336
20	01/10/2025	71	71	71	72	71	356
21	02/10/2025	75	75	75	76	75	376
22	03/10/2025	79	79	79	80	79	396
23	04/10/2025	83	83	83	84	83	416
24	05/10/2025	87	87	87	88	87	436
25	06/10/2025	91	90	90	92	92	455
26	07/10/2025	95	90	90	96	92	463
27	08/10/2025	99	90	90	100	92	471
28	09/10/2025	103	90	90	104	92	479
29	10/10/2025	107	90	90	108	92	487
30	11/10/2025	111	90	90	112	92	495
31	12/10/2025	111	90	90	118	92	501
32	01/10/2026	111	90	90	124	92	507
33	02/10/2026	111	90	90	130	92	513
34	03/10/2026	111	90	90	136	92	519
35	04/10/2026	111	90	90	142	92	525
36	05/10/2026	111	90	90	148	92	531
37	06/10/2026	111	90	90	154	92	537
38	07/10/2026	111	90	90	160	92	543
39	08/10/2026	111	90	90	166	92	549
40	09/10/2026	111	90	90	190	92	573

Source: Lennar Homes.

COVID-19. Except as described herein, Lennar Homes has not experienced any material increases in costs, or any development or home sale delays resulting from decisions to reduce financing for the projects, inability to obtain financing, work stoppages, reduced attendance of workers, lack of or delays in the delivery of building materials or the ability to obtain necessary inspections and approvals, which Lennar Homes attributes to the COVID-19 pandemic. To date, Lennar Homes has continued to fund and implement its projects as described in this Official Statement and intends to do so to complete such projects. However, the development of Improvement Area No. 1 is subject to delays caused by the COVID-19 pandemic. As the impacts caused by the outbreak evolve, there could be an adverse impact on the timing and costs of the Sage neighborhood. See “BOND OWNERS’ RISKS – Pandemic Diseases.” Lennar Homes cannot predict the ultimate effects of the COVID-19 outbreak or whether any such effects would have a material adverse effect on the ability to develop the project as planned.

Sources and Uses. The following table shows Lennar Homes' estimated sources and uses of funds for the construction of the backbone infrastructure and in-tract infrastructure needed for the 209 lots within Improvement Area No. 1. A portion of these costs are eligible for reimbursement from the proceeds of the Bonds and other District sources.

Table 1
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Lennar Homes – Sources and Uses
(As of December 1, 2023)

CASH FLOW	Total	Complete 12/1/2023	Remainder 2023	2024	2025
INFLOW					
Land Sales					
Estimated Bond proceeds					
Credits/Reimb					
Gas/JT					
Credits: SVSP & Other					
PH1 Cost Reimb. From Adjacent Owners					
Cost Share Adjacent Owners					
Total					
OUTFLOW					
Land Purchase					
Intracts - PH1					
Intracts - PH2					
Infrastructure					
Common Costs					
Fish & Game/Wetland					
Credits given to Adjacent Owners					
Total					
Net Developer Self Fund Amount					

Source: Lennar Homes.

Although Lennar Homes expects to have sufficient funds available to complete its development in Improvement Area No. 1 as described in this Official Statement, there can be no assurance that amounts necessary to finance the development costs will be available from Lennar Homes or any other source when needed. Neither Lennar Homes, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on its property in Improvement Area No. 1. Any contributions by Lennar Homes or any related parties to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding are inadequate to pay the costs to complete the planned development by Lennar Homes within Improvement Area No. 1 and other financing is not put into place, there could be a shortfall in the funds required to complete the planned development by Lennar Homes in Improvement Area No. 1.

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary

course of development, Lennar Homes has no actual knowledge of any impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within Improvement Area No. 1 as described in the Official Statement. *Although the information in this Official Statement reflects the current development expectations of the Developer, no assurance can be given that lot acquisition from the Land Bank Owner or home construction and sales will be carried out on the schedule and according to the plans described herein, or that the lot acquisition from the Land Bank Owner or home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. The Developer reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation.*

THE FACILITIES

Eligible Facilities

The Facilities eligible to be financed by the District (including Improvement Area No. 1 therein) 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 and other local agencies for development within the District (including Improvement Area No. 1 therein), as well as incidental expenses as authorized by the Mello-Roos Act.

The proceeds of the 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 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, of which Improvement Area No. 1 forms a part.

Table 2
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Expected Cost of Facilities

<u>Facility Category</u>	<u>Estimated Cost</u>
Roadway and Transportation Improvements	\$18,929,000
Sewer improvements	6,300,000
Total	\$25,229,000

Source: CFD Hearing Report, dated August 2023.

Acquisition by the City and other Local Agencies

In connection with the issuance of the Bonds, the City and Lennar Homes will enter into a Funding, Construction and Acquisition Agreement dated as of January 1, 2024 (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 portion of the cost of construction of the Facilities, which will not be provided from Bond proceeds, will be the responsibility of Lennar Homes.

It is also anticipated that the City will enter into joint community facilities agreements with the Cordova Recreation and Park District, the Sacramento County Water Agency (SCWA), and/or the Sacramento Regional County Sanitation District so that a portion of the proceeds of the Bonds and other special tax bonds issued for the District may finance the development impact fees and/or Facilities to be acquired by those local agencies.

The Special Tax Formula provides that the funding of Improvement costs can also be made from collections of the Special Tax available as the “pay-as-you-go” component of Special Taxes. 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.

OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within Improvement Area No. 1. 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 Bondowner will have the ability at any time to seek payment directly from the owners of property within Improvement Area No. 1 of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within Improvement Area No. 1.

Lennar Homes has provided the respective information set forth under the heading “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1” 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 Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See “SECURITY FOR THE 2024 BONDS” and “BOND OWNERS’ RISKS” herein.

Current Ownership. As noted above, Lennar Homes is land-banking the lots within Improvement Area No. 1. Accordingly, all 209 planned units are currently owned by the Land Bank Owner, with take-downs to Lennar Homes anticipated per a negotiated take-down option schedule. See “– IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1.”

No homes are currently owned by individual homeowners.

Land Bank Owner. The Land Bank Owner is an affiliate of, and managed by, Angelo Gordon & Co., L.P. (“**Angelo Gordon**”). Angelo Gordon is a privately-held alternative investment firm founded in 1988 and headquartered in New York, with associated offices across the United States, Europe and Asia. Angelo Gordon manages approximately \$52 billion across a broad range of credit and real estate strategies. Affiliates of the Land Bank Owner have entered into land banking arrangements with Lennar Corporation and its affiliated entities on more than 200 residential development projects. Neither the Land Bank Owner nor Angelo Gordon is a developer or a merchant builder.

Lennar Homes. Lennar Homes is based in Irvine, California. Lennar Homes has been in the business of developing residential real estate communities in California since 1996. On February 1, 2022, Lennar Homes of California, Inc., a California corporation, was converted to a California limited liability company and is now known as Lennar Homes of California, LLC, a California limited liability company (“**Lennar Homes**”). All references herein to Lennar Homes prior to February 1, 2022 shall mean Lennar Homes of California, Inc. a California corporation,

and all references herein to Lennar Homes on and after February 1, 2022 shall mean Lennar Homes of California, LLC, a California limited liability company.

Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company (“**U.S. Home**”). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida. Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation’s Class A and Class B common stock are listed on the New York Stock Exchange under the symbols “LEN” and “LEN.B.” respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Homes primarily develops residential communities both within the Lennar family of builders and through consolidated and unconsolidated partnerships in which Lennar Homes maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act 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, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Periodic Report will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation’s website at www.lennar.com. *The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter.*

VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1

Assessed Values and Building Permits

The following table shows the assessed valuation of taxable property within Improvement Area No. 1 for Fiscal Year 2023-24. Given the ongoing development of land within Improvement Area No. 1, the City has ordered an appraisal of such land, as described below under “– Appraised Values.” The following table also provides the number of building permits issued.

Table 3
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Assessed Valuation

Fiscal Year	Land Assessed Value	Improvement Assessed Value	Total Assessed Value	Number of Permits Issued⁽¹⁾
2023-24	\$14,694,520	\$0	\$14,694,520	0

(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 Improvement Area No. 1 is a critical factor in determining the investment quality of the Bonds. In order to obtain a more accurate estimate of the value of land in Improvement Area No. 1, the City ordered preparation of an appraisal report dated October 19, 2023 and a bring-forward letter dated November 30, 2023 (together, the “**Appraisal**”), of the estimated value of the taxable land within Improvement Area No. 1 as of the October 15, 2023 date of value and confirming a “not-less-than value” of such property as of November 30, 2023. 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 land in Improvement Area No. 1, which, as of the date of value, encompasses approximately 52 acres and was planned for 209 single-family residential homes.

Value Estimate. The appraised valuation excludes the value of all portions of the property in Improvement Area No. 1 designated for public and quasi-public purposes and assumes completion of infrastructure funded by the Bonds and accounts for the impact of the lien of the Special Tax. The following estimate represents the market value of the property to be subject to the Special Tax, based on the hypothetical condition that certain proceeds of the Bonds are available to finance certain improvements and/or fees.

The value estimate for the property as of the date of value of October 15, 2023 and confirmed as a “not-less-than-value” as of November 30, 2023, 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 \$41,663,000.

Valuation Methodology. The market value of the appraised property was estimated by utilizing the sales comparison approach and land residual analysis to value of the subject's lots. In valuing the subject lots, the Appraiser selected benchmark lot categories. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for the benchmark lot categories were concluded. Finally, the Appraiser utilized a land residual analysis, which was reconciled with the sales comparison approach conclusion. In the land residual analysis (a variation of the cost approach and income capitalization approaches combined), all direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the residual value of the lots.

According to the Appraiser, in a shifting market that currently exists, the land residual analysis is considered to be the most applicable approach to value. The sales comparison approach is typically a lagging indicator of value in a rapidly expansionary or contracting market. According to the Appraiser, there has been a lack of recent lot sales within the region due to homebuilders putting off the decision to purchase more lots due to the recent rise in interest rates. However, there is a very recent lot sale within the City of Elk Grove, which provides further support for the sales comparison approach. Therefore, each approach is given equal reliance to arrive at an estimate of market value.

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 Bonds will be used to fund certain improvements and/or fees. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the 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 value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, The Appraiser reserves the right to modify the value conclusions.

- 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.

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout Improvement Area No. 1; 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 Improvement Area No. 1 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 principal amount of the direct and overlapping debt in Improvement Area No. 1 is \$9,492,705*, which consists of the estimated amount of Bonds (\$9,000,000*) and \$492,705 of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in Improvement Area No. 1 subject to the Special Tax lien (\$41,663,000), is approximately 4.4* times the principal amount of the direct and overlapping debt in Improvement Area No. 1. This is an average and individual parcels may vary considerably from this average.

In comparing the value of the real property within Improvement Area No. 1 to the principal amount of the Bonds and other direct and overlapping debt for Improvement Area No. 1, 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 Improvement Area No. 1 cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within Improvement Area No. 1 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 Improvement Area No. 1 could, without the consent of the City and in certain cases without the consent of the owners of the land within Improvement Area No. 1, impose additional taxes or assessment liens on the

* Preliminary; subject to change.

land within Improvement Area No. 1. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within Improvement Area No. 1 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 Improvement Area No. 1 or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within Improvement Area No. 1, however, will be in a junior position to the lien of the Special Tax.

The land within Improvement Area No.1 is located within the boundary of an Elk Grove Unified School District community facility district, pursuant to which an annual special tax of \$200 per parcel will be levied following issuance of a building permit. As additional development occurs in Improvement Area No. 1 the Elk Grove USD CFD lien amount may be larger than what is shown.

Value-to-lien Ratios by Development Status. The following table shows the projected status of development and value-to-lien ratios by village in Improvement Area No. 1 for fiscal year 2024-25, based on the status of development as of October 15, 2023 and assuming no further development. Value-to-lien ratios on individual parcels may vary considerably from any average.

Table 4
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Value-to-Lien Ratios by Development Status – Projected for Fiscal Year 2024-25

Development Status ⁽¹⁾	No. of Parcels	Appraised Value ⁽²⁾	Projected FY 2024-25 Maximum Special Tax*	Projected FY 2024-25 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									
Verdant II	20	\$4,786,000	\$46,920	\$46,920	9.0%	\$813,289	\$47,149	\$860,438	5.6 : 1
Viridian II	15	3,650,000	39,795	39,795	7.7	689,793	35,362	725,155	5.0 : 1
Celedon	15	3,815,000	42,381	42,381	8.2	734,612	35,362	769,974	5.0 : 1
Jade	15	3,815,000	48,516	48,516	9.3	840,959	35,362	876,320	4.4 : 1
Midori	3	826,000	10,912	10,912	2.1	189,143	7,072	196,215	4.2 : 1
Subtotal	68	\$16,892,000	\$188,525	\$188,525	36.3%	\$3,267,796	\$160,306	\$3,428,102	4.9 : 1
Final Map Property									
Verdant II	52	\$8,716,000	\$121,992	\$104,878	20.2%	\$1,817,902	\$122,587	\$1,940,489	4.5 : 1
Viridian II	18	3,089,000	47,754	41,055	7.9	711,624	42,434	754,058	4.1 : 1
Celedon	36	6,574,000	101,714	87,445	16.8	1,515,726	84,868	1,600,593	4.1 : 1
Jade	35	6,392,000	113,205	97,323	18.7	1,686,953	82,510	1,769,463	3.6 : 1
Midori	0	0	0	0	0.0	0	0	0	N/A
Subtotal	141	\$24,771,000	\$384,665	\$330,700	63.7%	\$5,732,204	\$332,399	\$6,064,603	4.1 : 1
Total	209	\$41,663,000	\$573,190	\$519,225	100.0%	\$9,000,000	\$492,705	\$9,492,705	4.4 : 1

* Preliminary; subject to change.

(1) Development status based on the Appraisal Report and as of the October 15, 2023 date of value of the Appraisal.

(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.

(3) Includes building permits issued prior to October 15, 2023, final maps recorded prior to June 30, 2023, and assumes no further development. Includes debt service due in 2025 on the 2024 Bonds and estimated administrative expenses in the amount of \$30,600. The Administrative Expense Priority for Fiscal Year 2023-24 is \$30,000.

(4) Consists of the par amount of the 2024 Bonds. Allocated based on the Projected Fiscal Year 2024-25 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 parcel and assessed value as of FY 2023-24. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: Integra Realty Resources, Inc.; Piper Sandler & Co.; California Municipal Statistics, Inc.; 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 Improvement Area No. 1 for Fiscal Year 2024-25.

Table 5
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Value-to-Lien Ratio Ranges – Projected for Fiscal Year 2024-25

Appraised Value-to-Lien Category	No. of Parcels*	Appraised Value ⁽¹⁾	Projected FY 2024-25 Special Tax Levy ^{(2)*}	Percent of Projected Special Tax Levy*	CFD Bonds ^{(3)*}	Overlapping Debt ^{(4)*}	Total Debt*	Average Appraised Value-to-Lien*
5:1 to 10:1	35	\$8,436,000	\$86,715	16.7%	\$1,503,082	\$82,510	\$1,585,593	5.3 : 1
3:1 to 5:1	174	33,227,000	432,510	83.3	7,496,918	410,195	7,907,112	4.2 : 1
Totals	209	\$41,663,000	\$519,225	100.0%	\$9,000,000	\$492,705	\$9,492,705	4.4 : 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.

(2) Includes building permits issued prior to October 15, 2023, final maps recorded prior to June 30, 2023, and assumes no further development. Includes debt service due in 2025 on the 2024 Bonds and estimated administrative expenses in the amount of \$30,600. The Administrative Expense Priority for Fiscal Year 2023-24 is \$30,000.

(3) Consists of the par amount of the 2024 Bonds. Allocated based on the Projected Fiscal Year 2024-25 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 parcel and assessed value as of Fiscal Year 2023-24. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: Integra Realty Resources, Inc.; Piper Sandler & Co.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.

Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within Improvement Area No. 1, and payment of the Special Tax is secured by a lien on certain real property within Improvement Area No. 1. 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 Improvement Area No. 1. 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 Improvement Area No. 1. 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 Improvement Area No. 1, may be placed upon property in Improvement Area No. 1 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 November 1, 2023. 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 Underwriter 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 Improvement Area No. 1 in whole or in part. The second column shows the assessed value of the area common to Improvement Area No. 1 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 Improvement Area No. 1. 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 Improvement Area No. 1. See Table 8 for estimated amounts of these parcel charges, assessments and special taxes for Fiscal Year 2023-24.

The Overlapping Debt Report does not include PACE debt secured by assessments or special taxes on any property. Based on the Special Tax Consultant’s review for Fiscal Year 2023-24, and given that no individual homeowners yet own property in Improvement Area No. 1, none of the parcels within Improvement Area No. 1 had a PACE lien.

Table 6
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Direct and Overlapping Indebtedness
As of November 1, 2023

2023-24 Local Secured Assessed Valuation: \$14,694,655

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
Los Rios Community College District General Obligation Bonds	0.006%	\$ 22,090
Elk Grove Unified School District General Obligation Bonds	0.029	125,457
Elk Grove Unified School District Community Facilities District No. 1	0.245	492,705
City of Rancho Cordova Community Facilities District No. 2023-1, IA 1	100.000	0⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$640,252
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	0.007%	\$ 7,028
Sacramento County Pension Obligation Bonds	0.007	28,736
Sacramento County Board of Education Certificates of Participation	0.007	143
Elk Grove Unified School District Certificates of Participation	0.029	3,207
City of Rancho Cordova Certificates of Participation	0.117	14,148
Sacramento Metropolitan Fire General Fund Obligations	0.016	1,226
Sacramento Metropolitan Fire Pension Obligation Bonds	0.016	4,184
Cordova Recreation and Park District General Fund Obligations	0.073	4,399
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$63,071
Less: Sacramento County supported obligations		734
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$62,337
 GROSS COMBINED TOTAL DEBT		\$703,323⁽²⁾
NET COMBINED TOTAL DEBT		\$702,589

Ratios to 2023-24 Local Secured Assessed Valuation:

Direct Debt (\$0)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	4.36%
Gross Combined Total Debt.....	4.79%
Net Combined Total Debt.....	4.78%

(1) 2024 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, based on projected tax rates for Fiscal Year 2024-25.

Table 7
City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Improvement Area No. 1 – Special Tax Bonds
Sample Tax Bill – Fiscal Year 2024-25

	Tax Zone 2	Tax Zone 3	Tax Zone 4
Net Taxable Value	Amount	Amount	Amount
Estimated Market Values ⁽¹⁾	\$622,000.00	\$652,040.00	\$698,440.00
Less: Homeowner's Exemption	(7,000.00)	(7,000.00)	(7,000.00)
Net Taxable Value	\$615,000.00	\$645,040.00	\$691,440.00
Ad Valorem Property Taxes	Rate	Amount	Amount
Base Property Tax	1.0000%	\$6,150.00	\$6,450.40
Los Rios College General Obligation Bond	0.0318%	195.57	205.12
Elk Grove Unified General Obligation Bond	0.0192%	118.08	123.85
Total Ad Valorem Property Taxes	1.0510%	\$6,463.65	\$6,779.37
Parcel Charges, Assessments, and Special Taxes ⁽²⁾⁽³⁾	Amount	Amount	Amount
Water and Drainage Studies - SCWA 13	\$6.92	\$6.92	\$6.92
Elk Grove USD CFD No. 1	200.00	200.00	200.00
Rancho Cordova CFD No. 2018-2	139.62	139.62	139.62
CRPD CFD No. 2018-1	590.66	590.66	590.66
Transit Related Services Zone 2	132.85	132.85	132.85
Rancho Cordova Lighting District 2012-1	2.56	2.56	2.56
Rancho Cordova CFD 2014-2	555.60	555.60	555.60
Rancho Cordova CFD No. 2013-2	650.62	650.62	650.62
Grantline 220 CFD No. 2023-1 (3)	2,601.00	2,770.00	3,171.00
Total Parcel Charges, Assessments, and Special Taxes	\$4,879.83	\$5,048.83	\$5,449.83
Total Taxes	\$11,343.48	\$11,828.20	\$12,716.86
Total Effective Tax Rate	1.82%	1.81%	1.82%

(1) Represents the estimated market values for the smallest floor plans in Viridian II, Celedon, and Jade, as reported in the Appraisal.

(2) Except where otherwise noted, based on Fiscal Year 2023-24 tax rates.

(3) Does not include any PACE assessments or special taxes.

(4) Equal to the applicable Maximum Special Tax rate in Fiscal Year 2023-24.

Sources: Integra Realty Resources, Inc.; Goodwin Consulting Group, Inc.

Special Tax Collections and Delinquencies

Fiscal Year 2023-24 is the first fiscal year during which the Special Tax will be levied, with the first payment due in December 2023. Accordingly, there is no history of collections and delinquencies. The levy of Special Taxes in Improvement Area No. 1 is currently covered by the Teeter Plan in the County. See “SECURITY FOR THE 2024 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure –Teeter Plan.”

BOND OWNERS’ RISKS

The purchase of the 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 Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the 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 Bonds.

Concentration of Ownership

All of the land within Improvement Area No. 1 is currently owned and controlled, directly or indirectly, 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 Bonds depends upon the willingness and ability of all of the owners of taxable property within Improvement Area No. 1 to pay the Special Taxes when due. The only assets of the owners of property within Improvement Area No. 1 which constitute security for the Bonds are such owners’ real property holdings located within Improvement Area No. 1, 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 Improvement Area No. 1, choose to default on payments of the Special Tax on parcels. Also see “– Bankruptcy Delays” below.

Development of undeveloped property within Improvement Area No. 1 may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the homebuilder or other property owners to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order for homes to be completed on the timeline currently expected by Lennar Homes. No assurance can be given that the proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the 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 “IMPROVEMENT AREA NO. 1.”

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within Improvement Area No. 1.

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 Bonds.

In addition to the maximum annual 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. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 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 Improvement Area No. 1 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 Improvement Area No. 1 subject to a Special Tax and their proportionate share of debt service on the 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 Improvement Area No. 1 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 2024 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 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 2024 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 Improvement Area No. 1. 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 Improvement Area No. 1 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 Improvement Area No. 1; this would decrease the value to lien ratios of parcels in Improvement Area No. 1.

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 Improvement Area No. 1 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 Bonds, which could in turn result in the depletion 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 Bonds. See “SECURITY FOR THE 2024 BONDS – Reserve Fund,” and “SECURITY FOR THE 2024 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 2024 BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure”); and increasing the levy of Special Taxes against non-delinquent property owners in Improvement Area No. 1, 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 Improvement Area No. 1 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 Improvement Area No. 1 is a critical factor in determining the investment quality of the 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 Improvement Area No. 1.

Current Challenges to the Homebuilding Industry. No assurances can be given that the timing of construction of homes and/or sale of homes to individual homeowners projected by Lennar Homes in this Official Statement will be accomplished. Due to the current state of world affairs, the pace of homebuilding and sale of homes to individual homeowners in Improvement Area No. 1 may be adversely affected by a variety of factors, including rising interest rates, inflation and changes in economic conditions, increases in certain construction costs, droughts and water shortages or other environmental factors, workforce shortages and supply chain disruptions. For example, mortgage rates have recently hit multi-decade highs. Additionally, homebuilders are currently experiencing a known supply chain disruption with respect to obtaining electrical transformers needed for new development. Further, the recent increases in interest rates may slow the demand for new residential homes and a combination of historically high new home prices and rising interest rates may price some homebuyers out of entry-level homes. High inflation could force prospective homebuyers to account for other costs over purchasing a new home at a higher interest rate. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Appraised Values – Currently Changing Market Conditions” above.

Although such factors are not currently having a significant impact on the overall development of homes in Improvement Area No. 1, the impacts caused by such factors are evolving and no prediction can be made with respect to the ultimate effects of these factors on Lennar Homes's ability to sell and close homes in Improvement Area No. 1. These external factors, if and as they arise, could have a material adverse effect on the ability to develop the homes in Improvement Area No. 1 as planned, and no assurance can be provided that Lennar Homes will be able to (a) complete in whole or in any part, or within any particular time, its construction of homes within Improvement Area No. 1; (b) avoid additional material increases in development costs or delays resulting from work stoppages, reduced attendance of workers and shortages or delays in the delivery of building materials; or (c) sell homes, and close home sales or not experience purchase contract cancellations, due to an economic downturn driven by rising interest rates, inflation or other changes in economic conditions.

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 Improvement Area No. 1, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes. See "IMPROVEMENT AREA NO. 1 – 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 land in Improvement Area No. 1 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 Improvement Area No. 1. Drought conditions have been present in the State numerous times in the recent past. Although much of the State, including property in the City, is now out of the worst drought category, the City cannot predict when worsening 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 development of Improvement Area No. 1.

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 Lennar Homes believes that no federally listed endangered or threatened species would be affected by the proposed development within Improvement Area No. 1, 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 Improvement Area No. 1 or reduce the value of undeveloped property.

Future Property Development

Continuing development of the parcels in Improvement Area No. 1 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 Improvement Area No. 1 may also be affected by development in surrounding areas, which may compete with the property in Improvement Area No. 1.

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 made significant

changes to many aspects of the Code that could have an impact on future property development, although to-date none have been widespread.

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 IMPROVEMENT AREA NO. 1 –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 Improvement Area No. 1 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 Improvement Area No. 1 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 Improvement Area No. 1 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 Improvement Area No. 1 subject to a Special Tax and may be secured by a lien on a parity with the lien of the Special Tax securing the 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 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 Improvement Area No. 1 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 2024 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 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within Improvement Area No. 1 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 City 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 Improvement Area No. 1 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 Bonds.

Depletion of 2024 Reserve Account of the Reserve Fund

The 2024 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 2024 BONDS – Reserve Fund." The 2024 Reserve Account of the Reserve Fund will be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within Improvement Area No. 1. If the 2024 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 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 2024 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 2024 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 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 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 Bonds and the possibility of delinquent Special Taxes not being paid in full.

To the extent that property in Improvement Area No. 1 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 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 Glaspy 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 Improvement Area No. 1 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 Improvement Area No. 1 or the lending of money secured by property in Improvement Area No. 1. 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 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 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bondowner 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 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 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 Bonds were to become includable in gross income for purposes of federal income taxation, the 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 2024 BONDS – Redemption."

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners 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 Bonds will be selected for audit by the IRS. It is also possible that the market value of such 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 City. 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 Bonds.

Proposition 218 – Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D 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 XIII A and XIII C of the State Constitution. The amendments to Article XIII A 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 XIII C 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 bond authorization for Improvement Area No. 1 were each authorized by not less than a two-thirds vote of the landowners within Improvement Area No. 1 who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the 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 Voting

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 Improvement Area No. 1, there were fewer than 12 registered voters within Improvement Area No. 1 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 Improvement Area No. 1.

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 Improvement Area No. 1 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 Improvement Area No. 1 and 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 Bonds or, if a secondary market exists, that any 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 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 Bonds for audit examination, or the course or result of any IRS audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

Pandemic Diseases

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and Special Tax payments. 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. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

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 Improvement Area No. 1, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 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, Improvement Area No. 1 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 Improvement Area No. 1, 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 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 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 City 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 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 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 Improvement Area No. 1, or the issuance of the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Agreement or the purchase contract with respect to the 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 Bonds for federal income tax purposes, or (vi) in any other way questions the status of the 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 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. Interest on the Bonds may be subject to the corporate 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 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 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 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 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 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 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the 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 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the 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 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 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 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 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 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 Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the 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 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 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 Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

CONTINUING DISCLOSURE

The City

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to Improvement Area No. 1 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 2022-23 (due by April 1, 2024) and to provide notices of the occurrence of certain enumerated events. Additionally, Lennar Homes has covenanted for the benefit of owners of the Bonds to provide certain information by April 1 and October 1 of any fiscal year (commencing April 1, 2024) with respect to the property owned by it and its Affiliates (as defined in the Continuing Disclosure Certificate) within Improvement Area No. 1 (the "**Developer Semi-Annual Report**") to owners of the Bonds (so long as it and the Land Bank Owner (during the term of the responsible for a certain percentage of the Special Taxes), as described in the Developer Semi-Annual Report, and to provide notices of the occurrence of certain enumerated events.

The City Annual Report and the Developer Semi-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 the Semi-Annual Reports for 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 has been in compliance during such period.

The City retains Goodwin Consulting Group, Inc. to serve as dissemination agent with respect to the filings to be made with respect to the 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 semi-annual continuing disclosure for the benefit of Bondowners. 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 and the Land Bank Owner (during the term of the Lennar Option Agreement) own property in Improvement Area No. 1 responsible for less than 20% of the special tax levy for Improvement Area No. 1.

Lennar Homes represents that, other than as disclosed in this paragraph, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years. However, (i) in connection with the \$16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial Semi-Annual Report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the \$5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

NO RATING

The City has not obtained a formal credit rating on the Bonds and does not anticipate obtaining one on the Bonds in the future. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co., as underwriter (the “Underwriter”), at a purchase price of \$_____ (which represents the aggregate principal amount of the Bonds (\$_____), [plus/minus][net] original issue [premium/discount] of \$_____, and less an Underwriter’s discount of \$_____).

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the 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 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 Bonds, some or all of fees or other compensation payable to certain professionals is contingent upon the issuance and delivery of the 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 Trust Company, National Association, as Fiscal Agent for the 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 and Improvement Area No. 1.

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 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 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, 2023.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2019 through 2023, as of January 1**

<u>Calendar Year</u>	<u>City of Rancho Cordova</u>	<u>County of Sacramento</u>	<u>State of California</u>
2019	77,259	1,538,054	39,605,361
2020	78,333	1,553,157	39,648,938
2021	79,480	1,579,186	39,286,510
2022	80,156	1,573,366	39,078,674
2023	81,117	1,572,453	38,940,231

Source: State Department of Finance.

Employment and Industry

The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 4.5 percent in August 2023, up from a revised 4.2 percent in July 2023, and below the year-ago estimate of 3.7 percent. This compares with an unadjusted unemployment rate of 5.1 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 4.1 percent in El Dorado County, 4.0 percent in Placer County, 4.7 percent in Sacramento County, and 4.7 percent in Yolo County.

The table below provides information about employment rates and employment by industry type for the Sacramento MSA (which includes Sacramento, Placer, Yolo and El Dorado Counties) for the calendar years 2018 through 2022.

**SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA
(El Dorado, Placer, Sacramento, Yolo Counties)
Employment by Industry
(March 2022 Benchmark)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Civilian Labor Force ⁽¹⁾	1,088,500	1,101,200	1,095,600	1,107,800	1,124,500
Employment	1,047,200	1,061,100	998,400	1,036,700	1,082,500
Unemployment	41,200	40,100	97,200	71,100	42,000
Unemployment Rate	3.8%	3.6%	8.9%	6.4%	3.7%
Wage and Salary Employment ⁽²⁾					
Agriculture	9,100	8,700	8,300	9,000	8,600
Mining and Logging	400	500	500	500	500
Construction	64,500	69,400	70,200	74,900	76,800
Manufacturing	36,000	36,800	36,100	37,700	40,300
Wholesale Trade	28,400	28,600	26,600	26,900	28,300
Retail Trade	102,000	100,500	95,100	100,600	100,800
Transportation, Warehousing and Utilities	29,500	32,200	34,300	37,500	40,500
Information	12,400	11,900	10,200	10,100	10,500
Finance and Insurance	36,700	35,200	34,800	34,100	33,200
Real Estate and Rental and Leasing	16,800	17,300	16,900	17,700	19,100
Professional and Business Services	136,000	137,300	133,500	140,600	147,500
Educational and Health Services	159,800	166,600	164,000	168,800	175,400
Leisure and Hospitality	106,200	109,600	83,900	93,600	108,700
Other Services	34,200	35,400	31,000	33,300	36,100
Federal Government	14,100	14,200	14,800	14,500	14,300
State Government	120,400	121,900	121,700	127,300	128,700
Local Government	103,500	105,300	98,900	98,400	102,900
Total, All Industries ⁽³⁾	1,009,900	1,031,300	980,700	1,025,400	1,072,300

(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, 2022.

CITY OF RANCHO CORDOVA
Principal Employers
As of June 2022

Employer	Number of Employees	Percent of Total Employment
VSP Global	1,600	3.32%
Franklin Templeton	1,200	2.49
Cordova Folsom Unified School District	1,017	2.11
Accentcare Home Health	727	1.51
Health Net Federal Services	700	1.45
The Permanente Medical Group	559	1.16
Kaiser Foundation Hospitals	497	1.03
Plexus Optix, Inc	428	0.89
Nidec Motor Corporation	400	0.83
Automotive Importing Manufacturing	303	0.63

Source: City of Rancho Cordova, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022.

Major Employers

The following table lists the major employers within the County as of October 2023, in alphabetical order.

**COUNTY OF SACRAMENTO
Major Employers
As of October 2023**

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
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 State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Colliers International Ltd	Sacramento	Real Estate
Corrections Department	Sacramento	State Govt-Correctional Institutions
Delta Dental of California	Rancho Cordova	Medical Insurance Plans
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Employment Development Dept	Sacramento	Outplacement Consultants
Environmental Protection Agcy	Sacramento	State Government-Air/Water/Solid Waste Manage
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 Bee	Sacramento	Newspapers (publishers/Mfrs)
Sacramento Municipal Utility	Sacramento	Utility Contractors
Sacramento Municipal Utility	Sacramento	Electric Contractors
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
State Compensation Ins Fund	Sacramento	Insurance
Summit Funding Inc	Sacramento	Real Estate Loans
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals
Villara	McClellan	Building Contractors
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, 2024 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 2020 through 2023.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, THE STATE OF CALIFORNIA
AND THE UNITED STATES
Effective Buying Income
As of January 1, 2020 through 2023**

Year	Area	Total Effective Buying Income (000s’ Omitted)	Median Household Effective Buying Income
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
2022	City of Rancho Cordova	\$2,246,178	\$68,685
	County of Sacramento	51,287,459	70,279
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Rancho Cordova	\$2,533,621	\$71,022
	County of Sacramento	51,865,551	70,001
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326

Source: Claritas, LLC.

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 the first two quarters of calendar year 2023 in the City were reported to be \$1,035,026,923, a 2.75% decrease in the total taxable sales of \$1,064,325,404 reported during the first two quarters of calendar year 2022.

CITY OF RANCHO CORDOVA
Taxable Transactions
(Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	1,311	1,101,787	2,345	1,619,685
2019	1,355	1,170,421	2,487	1,672,142
2020	1,512	1,089,203	2,788	1,655,571
2021	1,404	1,341,196	2,597	1,982,420
2022	1,429	1,390,475	2,682	2,171,811

Source: California Department of Tax and Fee Administration

Total taxable sales during the first two quarters of calendar year 2023 in the County were reported to be \$17,430,150,622, a 2.28% increase over the total taxable sales of \$17,837,639,070 reported during the first two quarters calendar year 2022.

COUNTY OF SACRAMENTO
Taxable Transactions
(Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	24,853	17,593,375	39,066	25,443,669
2019	25,530	18,156,992	40,858	26,717,621
2020	28,055	18,488,106	45,361	27,173,406
2021	25,936	23,764,691	42,482	33,875,840
2022	26,589	24,679,703	44,158	36,511,260

Source: California Department of Tax and Fee Administration

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County.

CITY OF RANCHO CORDOVA
Total Building Permit Valuations
(Dollars in Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Permit Valuation</u>					
New Single-family	\$104,525.9	\$158,521.8	\$164,435.7	\$171,194.6	\$186,410.7
New Multi-family	3,069.2	0.0	0.0	0.0	<u>18,935.0</u>
Res. Alterations/Additions	<u>3,798.0</u>	<u>3,492.2</u>	<u>7,657.0</u>	<u>6,503.1</u>	<u>6,202.0</u>
Total Residential	111,393.1	162,014.0	172,092.7	177,697.7	211,547.7
New Commercial	10,152.0	2,320.7	28,635.4	2,672.0	12,093.0
New Industrial	11,662.0	366.0	0.0	0.0	2,030.0
New Other	805.7	1,336.2	2,150.6	5,970.7	11,624.9
Com. Alterations/Additions	<u>26,283.6</u>	<u>24,046.0</u>	<u>34,812.6</u>	<u>67,569.2</u>	<u>35,436.7</u>
Total Nonresidential	48,903.3	28,068.9	65,598.6	76,211.9	61,184.6
<u>New Dwelling Units</u>					
Single Family	217	561	575	552	620
Multiple Family	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>149</u>
TOTAL	267	561	575	552	769

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SACRAMENTO
Total Building Permit Valuations
(Dollars in Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Permit Valuation</u>					
New Single-family	\$1,069,568.4	\$1,108,399.9	\$1,008,391.7	\$1,310,379.5	\$1,183,213.4
New Multi-family	158,647.0	265,188.8	467,418.7	323,462.6	413,368.8
Res. Alterations/Additions	<u>276,723.6</u>	<u>293,210.5</u>	<u>262,864.6</u>	<u>276,570.4</u>	<u>373,409.6</u>
Total Residential	1,504,939.0	1,666,799.2	1,738,675.0	1,910,412.5	1,969,991.8
New Commercial	303,806.0	666,664.3	449,494.3	197,946.8	268,582.0
New Industrial	14,151.1	31,851.4	31,155.0	83,171.4	38,163.3
New Other	128,325.7	105,555.1	75,356.7	104,932.9	155,071.3
Com. Alterations/Additions	<u>518,663.2</u>	<u>700,604.0</u>	<u>335,458.0</u>	<u>320,447.6</u>	<u>432,950.0</u>
Total Nonresidential	964,946.0	1,504,674.8	891,464.0	706,498.7	894,766.6
<u>New Dwelling Units</u>					
Single Family	3,589	3,981	3,588	4,205	3,832
Multiple Family	<u>1,272</u>	<u>2,008</u>	<u>2,868</u>	<u>2,266</u>	<u>3,419</u>
TOTAL	4,861	5,989	6,456	6,471	7,251

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 220 Community Facilities District No. 2023-1
Improvement Area No. 1, Special Tax Bonds Series 2024

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 January 1, 2024, by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent Agreement"). 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 sentences 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.

Interest on the Bonds may be subject to the corporate alternative minimum tax. 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. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

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 January 1, 2024 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, 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.

“*District*” means the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1.

“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.

“Improvement Area No. 1” means Improvement Area No. 1 of the District.

“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, 2024, with the report for the 2022-23 fiscal year, 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(b). 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 to such effect.

(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 IMPROVEMENT AREA NO. 1 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.

(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 Improvement Area No. 1.

(7) Until the fiscal year in which the Special Tax levied on the developed property in Improvement Area No. 1 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 in Improvement Area No. 1.

(c) For so long as there is any owner of property in Improvement Area No. 1 whose properties collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in Improvement Area No. 1:

(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 Improvement Area No. 1 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.

(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 Fiscal Agent Agreement.

(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(b).

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(b).

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: _____, 2024

CITY OF RANCHO CORDOVA for and on
behalf of CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY
FACILITIES DISTRICT NO. 2023-1

By: _____
Authorized Officer

AGREED AND ACCEPTED:
GOODWIN CONSULTING GROUP,
as Dissemination Agent

By: _____
Name: _____
Title: _____

**CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

Relating to:

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

THIS CONTINUING DISCLOSURE CERTIFICATE (Developer) (the “Disclosure Certificate”) dated as of January __, 2024, is executed and delivered by Lennar Homes of California, LLC, a California limited liability company (the “Developer”) in connection with the issuance by the City of Rancho Cordova (the “City”) of its \$ _____ City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds (the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of January 1, 2024 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, 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 herein 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” means with respect to the Developer, means any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of Improvement Area No. 1 and investment decision regarding the Bonds (i.e., information regarding such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency). For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the present 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. The Land Bank Owner is not an Affiliate of the Developer.

“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 Improvement Area No. 1), 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

Improvement Area No. 1 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.

“Developer” means Lennar Homes of California, LLC, a California limited liability company, its successors and assigns.

“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 Participating Underwriter a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate. The Initial Dissemination Agent is the Developer.

“District” means the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1.

“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/>.

“Improvement Area No. 1” means Improvement Area No. 1 of the District.

“Land Bank Owner” means AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership, as the land banking entity under the Lennar Option Agreement.

“Lennar Option Agreement” means that certain Option Agreement, dated May 26, 2023, between the Land Bank Owner and the Developer.

“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 Improvement Area No. 1 that is responsible in the aggregate for 20% or more of the Special Taxes 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 real property in Improvement Area No. 1 that is owned by (i) the Developer, (ii) any Affiliate of the Developer, and (iii) the Land Bank Owner (during the term of the Lennar Option Agreement).

“Report Date” means April 1 and October 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 levied on taxable property in Improvement Area No. 1.

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, 2024, 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 the format prescribed by the MSRB, 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 A 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 A, 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 the 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 to the extent such failure is not promptly cured by the Developer upon discovery thereof;

(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 the 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 the Lennar Option Agreement or 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 and the Land Bank Owner (during the term of the Lennar Option Agreement) is no longer responsible for payment of 20% or more of the Special Taxes levied in Improvement Area No. 1, 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 Improvement Area No. 1 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. The acquisition of any portion of the Property by the Developer pursuant to the Lennar Option Agreement shall not require any assumption by 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, LLC 1025 Creekside Ridge Drive, Suite 240 Roseville, CA 95678 Email: Larry.Gualco@Lennar.com Email: Jack.Sevey@Lennar.com
To the City:	City of Rancho Cordova Attn: CFD Administrator 2729 Prospect Park Drive Rancho Cordova, CA 95670 Email: Kjuran@cityofranhocordova.org mmingay@cityofranhocordova.org
To the Participating Underwriter:	Piper Sandler & Co. 3626 Fair Oaks Boulevard, Suite 100 Sacramento, CA 95864 Email: Dennis.McGuire@psc.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, LLC,
A California limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A
PERIODIC REPORT

Relating to:

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Developer) (the "Disclosure Certificate") dated January __, 2024, executed by Lennar Homes of California, LLC, a California limited liability company (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 220 Community Facilities District No. 2023-1 (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) and the Land Bank Owner in Improvement Area No. 1 (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 Reported Date of Information in the Official Statement Since the Last Periodic Report

Lots _____ Lots _____

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 Improvement Area No. 1 by the Developer or an Affiliate (if any), or sales of land in Improvement Area No. 1 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 "IMPROVEMENT AREA NO. 1 – 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, LLC,
A California limited liability company

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.

§ _____
CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

BOND PURCHASE AGREEMENT

_____, 2024

City of Rancho Cordova
 Grantline 220 Community Facilities District No. 2023-1
 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 220 Community Facilities District No. 2023-1 (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 _____ 1, 2024 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, 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 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds, Series 2024 (the “Bonds”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Appendix A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, less a net original issue discount 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 November __, 2024. The proceeds of the Bonds shall be used to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the Community Facilities District and Improvement Area No. 1; (ii) make a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on a portion of the Bonds through and including September 1, 2024; and (iv) pay the costs of issuance of the 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 _____, 2024, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “Preliminary Official Statement.” By its acceptance of this Purchase Agreement, the 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 _____, 2024 (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 Improvement Area No. 1 (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 “IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1,” 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 “IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1,” 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 Improvement Area No. 1 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 2024 BONDS" (other than by reference Appendix G – DTC and the Book-Entry Only System), "SECURITY FOR THE 2024 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 Improvement Area No. 1 of 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 Kutak Rock LLP, 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, LLC, a California limited liability company (the "Property Owner") in the form under Appendix G hereto.

25. Property Owner Continuing Disclosure Certificate. Executed copies of the Continuing Disclosure Certificate (Developer) 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 acceptable to the Underwriter and Bond Counsel.

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 Improvement Area No. 1, dated as of the Closing Date.

29. 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:

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. 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 CDIAF 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. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Purchase Agreement may be conducted by electronic means. Each party agrees and acknowledges that it is such party’s intent, that if such party signs this Purchase Agreement using an electronic signature, it is signing, adopting and accepting this Purchase Agreement and that signing this Purchase Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer’s handwritten signature on this Purchase Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Purchase Agreement in a usable format.

13. 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.

14. 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.

15. 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.

16. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

17. 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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1 SPECIAL TAX BONDS, SERIES 2024 BONDS]**

APPENDIX A

\$ _____
CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

MATURITY SCHEDULE

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The- Offering-Price Rule
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
20__							
20__							
20__							

(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.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Re: City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds, Series 2024

Ladies and Gentlemen:

We have acted as counsel for the City of Rancho Cordova (the “City”) and the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “Community Facilities District”), in connection with the purchase and sale of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds, Series 2024 (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 _____ 1, 2024 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”), the City Continuing Disclosure Certificate, dated [Closing Date], 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 [BPA Date], relating to the Bonds (the “Official Statement”), Resolution No. _____ adopted by the City Council of the City on August 21, 2024 (“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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024**

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 220 Community Facilities District No. 2023-1 (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 “IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1,” 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 “IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1,” 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 "IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1," 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

**CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024**

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION CERTIFICATE

The undersigned is an authorized officer of U.S. Bank Trust Company, 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 _____ 1, 2024 (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 TRUST COMPANY, NATIONAL
ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Officer

APPENDIX E

FISCAL AGENT'S COUNSEL OPINION

[Closing Date]

City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
Rancho Cordova, California

Piper Sandler & Co.
El Segundo, California

Re: City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 Improvement Area No. 1 Special Tax Bonds, Series 2024

Ladies and Gentlemen:

We have acted as counsel for U.S. Bank Trust Company, National Association, a national banking association (the “Bank”) in connection with the execution by the Bank of the Fiscal Agent Agreement, dated as of _____ 1, 2024 (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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024**

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 [BPA Date], for the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “Community Facilities District”) Improvement Area No. 1 Special Tax Bonds, Series 2024 (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 _____ 1, 2024 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, 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 Bonds, and annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Fiscal Agent for 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 \$_____ for Fiscal Year 2023-24 (subject to inflation at 2.00% per Fiscal Year effective for Fiscal Year 2024-25)), would generate at least 110% of the Annual Debt Service payable with respect to the Bonds payable from such Special Taxes, assuming the debt service schedule shown in the Official Statement is true and correct.

5. 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.

6. 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 2024 BONDS – Special Taxes and – Special Tax Formula,” “IMPROVEMENT AREA NO. 1,” “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.

7. 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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024**

CERTIFICATE OF PROPERTY OWNER

[POS Date]

City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Piper Sandler & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

The undersigned certifies and represents that he or she is duly authorized on behalf of Lennar Homes of California, LLC, a California limited liability company (the “**Property Owner**”), to execute and deliver this Certificate of Property Owner (this “**Certificate**”) in connection with the issuance, sale and delivery by the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “**Community Facilities District**”) of the Bonds captioned above (the “**Bonds**”).

Capitalized terms used but not defined in this Certificate have the same meanings as are 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/or (ii) review of documents reasonably available to the undersigned and which the undersigned has 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.

As used in this Certificate, the term “**Relevant Entity**” of the Property Owner means any other Person (i) who presently directly or indirectly through one or more intermediaries, is currently controlling, controlled by, or under common control with the Property Owner, and (ii) about whom

information is material to potential investors in their evaluation of Improvement Area No. 1 of the Community Facilities District and 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 on the portion of the Property then-owned by the Property Owner (to the extent the responsibility of the Property Owner) 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 Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (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 limited partnership right, power and authority:

(i) to execute and deliver this Certificate,

(ii) to execute and deliver the Continuing Disclosure Certificate (Developer) at Closing,

(iii) to 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 Continuing Disclosure Certificate (Developer).

(2) The Property Owner agrees to execute at Closing the Continuing Disclosure Certificate (Developer) 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 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 Continuing Disclosure Certificate (Developer), and the performance by the Property Owner of its obligations under the Continuing Disclosure Certificate (Developer), 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 own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay the Special Taxes on the portion of the Property then-owned by the Property Owner (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 Continuing Disclosure Certificate (Developer).

(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 the Special Taxes on the portion of the Property then-owned by the Property Owner (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 Continuing Disclosure Certificate (Developer).

(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 commencement of a foreclosures action against the delinquent Property Owner of Relevant Entity in 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, before or by any court, regulatory agency, public board or body 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 the Special Taxes on the portion of the Property then-owned by the Property Owner (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 Continuing Disclosure Certificate (Developer),

(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 Continuing Disclosure Certificate (Developer), 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 able to pay their respective bills as they become due;

(ii) 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; and

(iii) to the Actual Knowledge of the Undersigned, neither the Property Owner nor any of its Relevant Entities has any proceedings pending against it (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, to the Actual Knowledge of the Undersigned, the information in the sections of the Preliminary Official Statement entitled “IMPROVEMENT AREA NO. 1 – Development in Improvement Area No. 1,” “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1”, and “CONTINUING DISCLOSURE – Lennar Homes,” concerning the Property Owner, its Relevant Entities, ownership of 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, to the Actual Knowledge of the Undersigned, 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 is reasonably likely to materially and adversely affect the ability of the Property Owner to:

(i) own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) pay the Special Taxes on the portion of the Property then-owned by the Property Owner (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) carry on its business as described in the Preliminary Official Statement, or

(iv) perform its obligations under the Continuing Disclosure Certificate (Developer).

(14) An appraisal of the taxable properties within Improvement Area No. 1 of the Community Facilities District dated _____, 2024 (the “**Appraisal Report**”), with a date of value of October 2, 2024 (the “**Date of Value**”), was prepared by Integra Realty Resources, Rocklin, California (the “**Appraiser**”). The Appraisal Report estimates the market value of the taxable properties within Improvement Area No. 1 of the Community Facilities District as of the Date of Value. To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Property Owner to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow in Exhibit A attached hereto was true and correct in all material respects as of the Date of Value.

(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 Improvement Area No. 1 of the Community Facilities District,

(iii) seeks to invalidate the Community Facilities District or any of the Bonds or any refunding obligations relating thereto, or

(iv) seeks to invalidate the special tax liens of Improvement Area No. 1 of the Community Facilities District 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 before any court, regulatory agency, public board or body, 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 or among the Property Owner and its Relevant Entities, the City and/or the Community Facilities District or under which the Property Owner or its Relevant Entities is a party or beneficiary.

(16) The Property Owner has received a copy of the Rate and Method containing the Special Tax 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, including, but not limited to, the risks described in the Preliminary Official Statement under the sections entitled “BONDOWNERS’ RISKS” and “IMPROVEMENT AREA NO. 1”, to the Actual Knowledge of the Undersigned, the Property Owner anticipates that it will have sufficient funds to (i) complete the development and sale of the Property as described in the Preliminary Official Statement, and (ii) 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 Improvement Area No. 1 of 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 other than from the proceeds of Bonds or Special Taxes.

(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 the Property Owner, its Relevant Entities, or the acquisition, ownership, development or sale of the Property which the undersigned believes would 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, 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 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) 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 ownership, development or sale of the Property occurs, as a result of which it is necessary to modify the form of bring-down certificate, the Property Owner agrees to deliver at the time of issuance of the Bonds a new form of bring-down certificate revised to reflect such event.

(22) 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,

(ii) 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 of the Bonds contemplated by the Bond Purchase Agreement.

(23) On behalf of the Property Owner, the undersigned has reviewed the contents of this Certificate and 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.

[Remainder of Page Intentionally Blank; Signature Page Follows]

The undersigned has executed this Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Certificate. Any liability arising from or relating to this Certificate may only be asserted against the Property Owner.

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By:

Its:

By: _____

EXHIBIT A

EXCERPTS FROM THE APPRAISAL REPORT

(to be attached)

APPENDIX H

§ _____
CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

BRING-DOWN CERTIFICATE OF PROPERTY OWNER

Dated: [Closing Date]

City of Rancho Cordova
Grantline 220 Community Facilities District No. 2023-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Piper Sandler & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

The undersigned certifies and represents that he or she is duly authorized, on behalf of Lennar Homes of California, LLC, a California limited liability company (the “**Property Owner**”), to execute and deliver this Bring-Down Certificate of Property Owner (this “**Bring-Down Certificate**”) in connection with the issuance, sale and delivery by the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “**Community Facilities District**”) 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 dated [BPA Date] and relating to the Bonds (the “**Final Official Statement**”).

(4) To the Actual Knowledge of the Undersigned, 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 Section 11 of the Certificate (and subject to the limitations and exclusions contained in Section 11 of the Certificate) relating to the Property Owner, its Relevant Entities, ownership of 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) For a period of 25 days after the Closing Date, if the undersigned has actual knowledge of any event relating to or affecting the Property Owner, its Relevant Entities, or the 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 the Certificate (and subject to the limitations and exclusions contained in Section 11 of the 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.

(6) The Property Owner has duly executed and delivered the Continuing Disclosure Certificate (Developer).

[Remainder of Page Intentionally Blank; Signature Page Follows]

The undersigned has executed this Bring-Down Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Bring-Down Certificate. Any liability arising from or relating to this Bring-Down Certificate may only be asserted against the Property Owner.

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By:

Its:

By: _____

APPENDIX I

**CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024**

CERTIFICATE OF APPRAISER

Integra Realty Resources (the “Appraiser”), Sacramento, California prepared an appraisal of the properties within Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the “Community Facilities District”) dated _____, 2024 (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 [BPA 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 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2024

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)

MEMORANDUM



ITEM 12.2.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Albert Stricker, Public Works Director
Kristine Courdy, Senior Civil Engineer
SUBJECT: **CHASE DRIVE AMERICAN RIVER PARKWAY CONNECTION
PROJECT UPDATE**

RECOMMENDATION

Receive the presentation and provide feedback.

RESULT OF RECOMMENDED ACTION

Staff would finalize the design of the Chase Drive American River Parkway Connection Project and prepare a solicitation for construction services for the summer of 2024.

BACKGROUND

The Chase Drive American River Parkway Connection Project (Project) proposes a Class I multi-use path along the east side of the roadway from the Chase/Coloma Plaza to the spur trail connecting to the American River Parkway (see [Attachment 1](#) for the Project Area Map). In addition, the Project includes high-visibility crosswalks, pedestrian-scale lighting, and landscape restoration. The City applied for and successfully received \$2.4 million from a Sacramento Area Council of Governments (SACOG) Maintenance and Modernization Grant for this important project.

The Project will provide the residents within the community a critical, high-quality active transportation connection along Chase Drive. The Project will provide a regional non-motorized route and support housing, education, recreation, and park and agricultural land uses along the corridor.

As part of the Project, an online survey was conducted in November 2022 with over 50 respondents and City staff held a community meeting on April 18, 2023, at Mills Middle School where about 10 residents attended and shared feedback. Staff will present the Project and proposed next steps.

FISCAL IMPACT AND FUNDING SOURCE

Funding for this project is captured in the Fiscal Year 2023-24 Capital Improvement Plan budget, funded by a \$2.4 million SACOG Maintenance and Modernization Grant, Measure A Construction Fund, and Transportation Development Act Fund. There is no financial impact on the City's General Fund.

ATTACHMENT(S)

1. Project Area Map
2. Presentation



Chase Drive American River Parkway Project Update

December 18, 2023 City Council Meeting



Presentation Goals

Project
Background

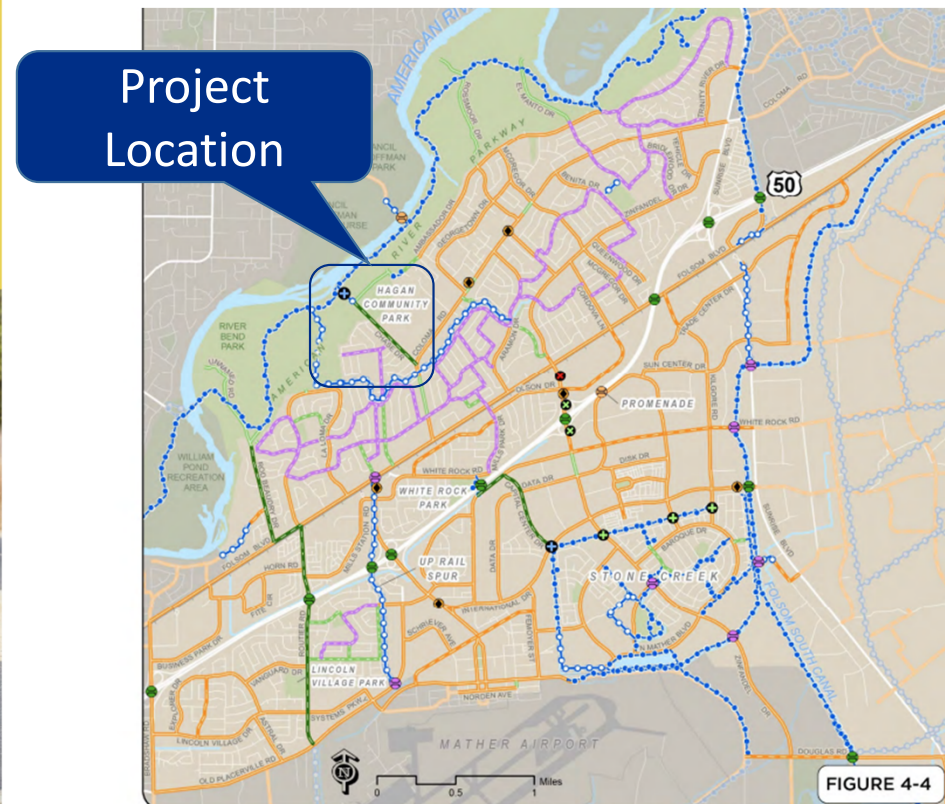
Project
Overview

Community
Engagement

Project
Timeline

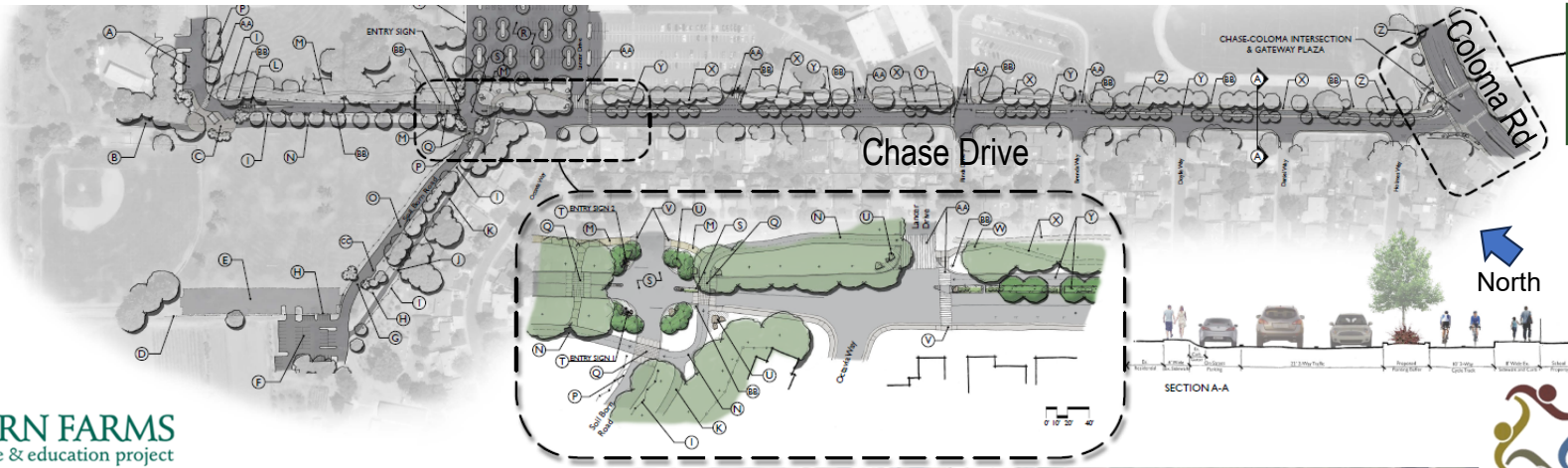
Next Steps

Background: City of Rancho Cordova Bicycle Master Plan



City of Rancho Cordova has a 26-mile trail network

Background: Chase Drive Master Plan



North

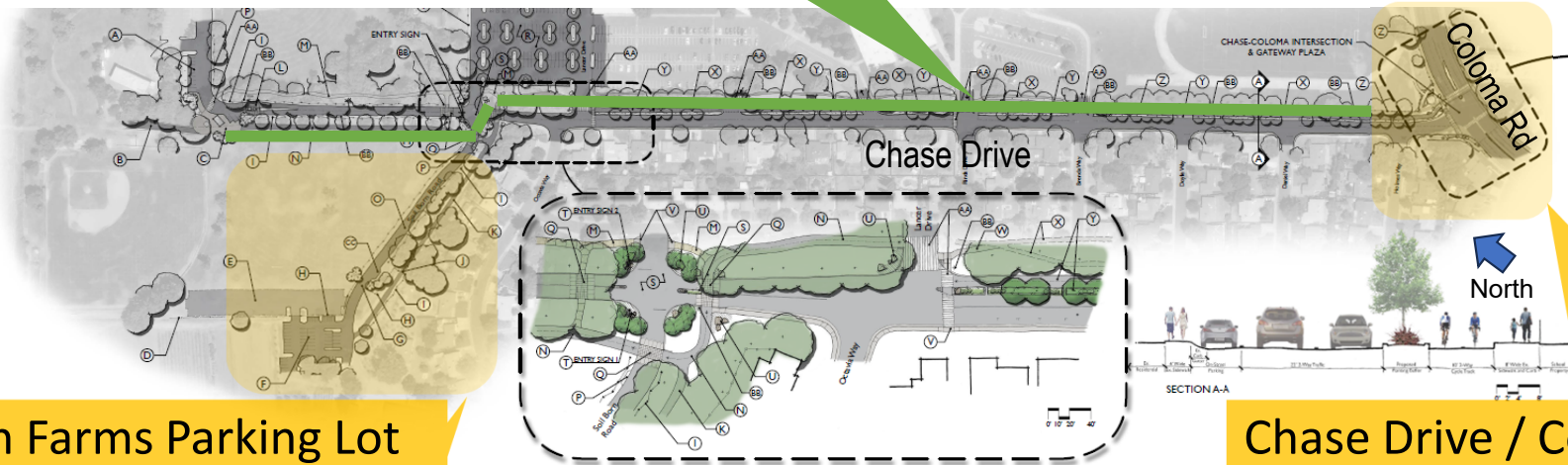


CORDOVA
COMMUNITY
COUNCIL



Background: Chase Drive Master Plan

Current Project



Soil Born Farms Parking Lot
(Completed Sept 2022)

Chase Drive / Coloma Plaza
(Completed Feb 2020)



2020 Award Winner

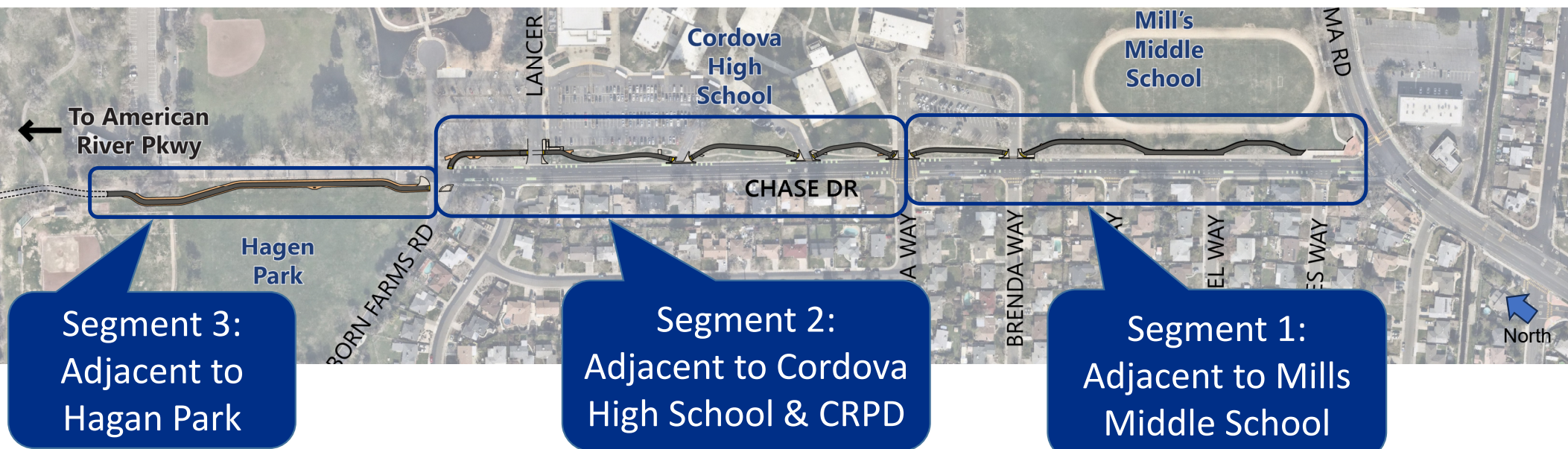


Project Overview

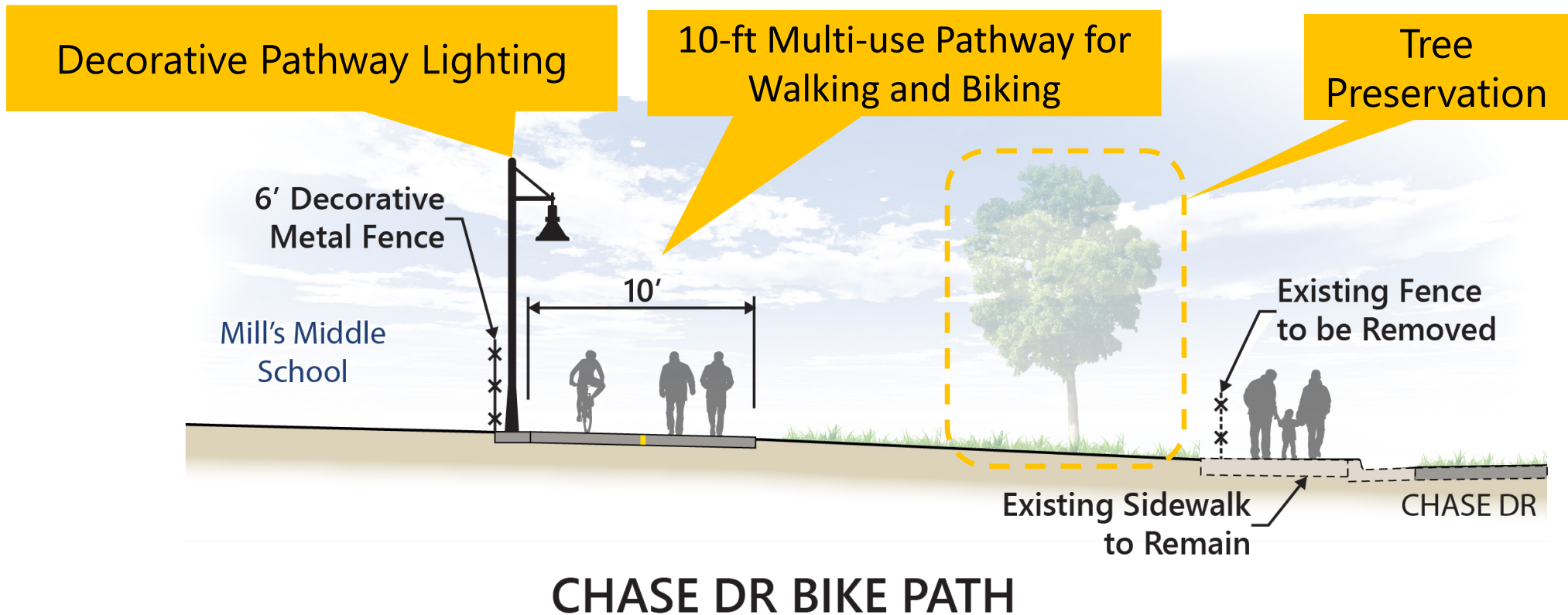
- Establishes a dedicated bicycle and pedestrian facility from Coloma Road to the American River Parkway Trail along Chase Drive.
- City secured a \$2.4M SACOG Community Design Grant for the Project

PROJECT BUDGET:

Design Phase:	\$ 630,000
Construction Phase:	\$ 2,670,000
TOTAL Project Budget:	\$ 3,300,000



Project Improvements



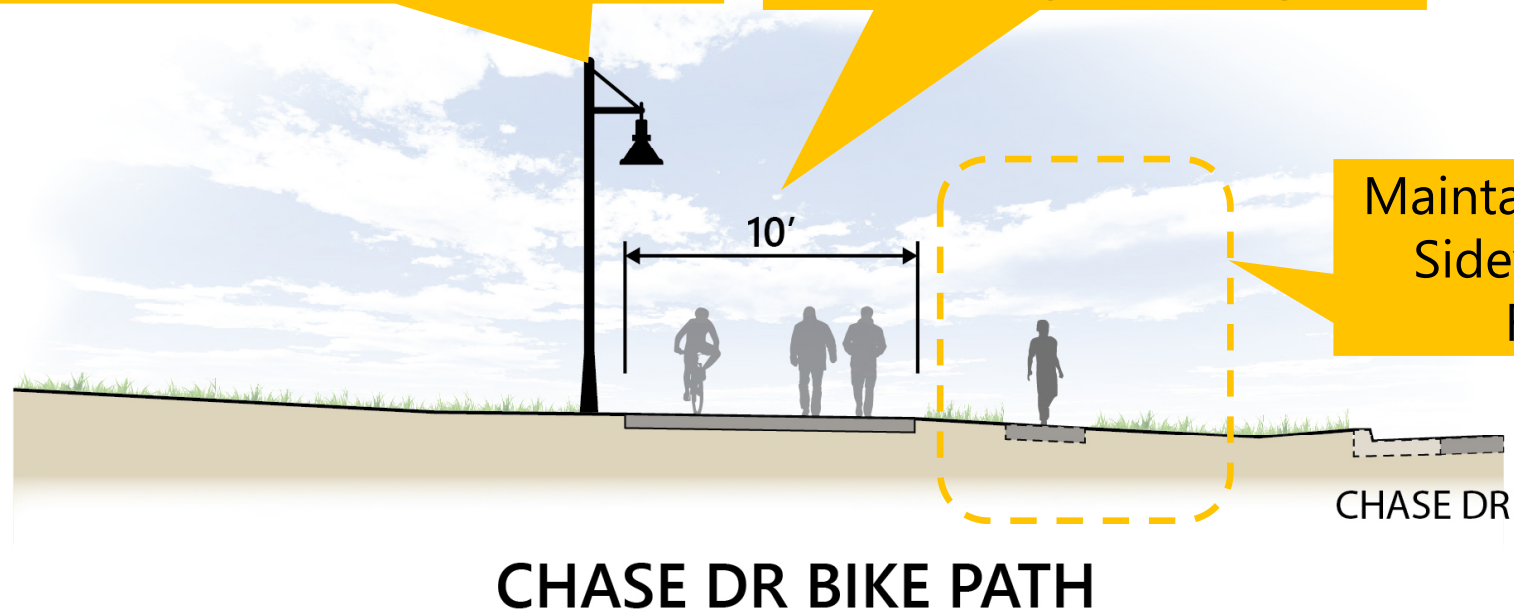
Segment 1: Adjacent to Mills Middle School

Project Improvements

Decorative Pathway Lighting

10-ft Multi-use Pathway for Walking and Biking

Maintaining Existing Sidewalk Where Feasible



Segment 2: Adjacent to Cordova High School & CRPD

Project Improvements

12 – Foot Wide Pathway
per Sacramento County
Standards

Tree
Replanting at
1:1 Ratio

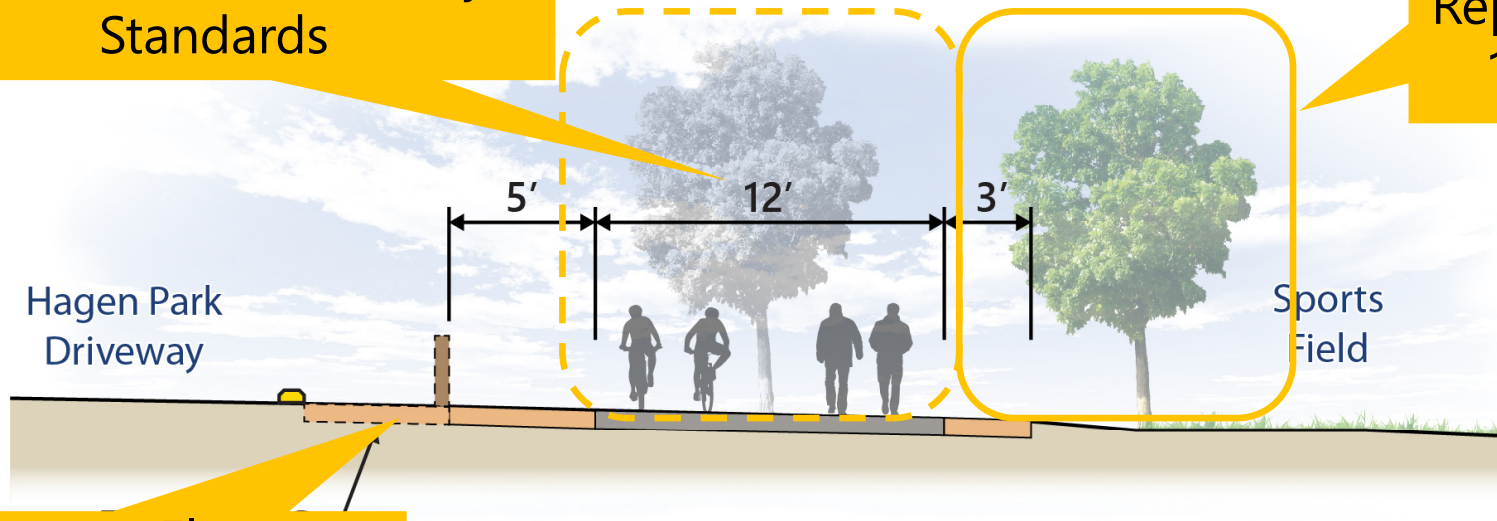
Hagen Park
Driveway

Sports
Field

Existing Driveway Elements
Provide Protection for New
Pathway

CHASE DR BIKE PATH

Segment 3: Adjacent to Hagan Park



On-Line Project Survey (Winter 2022) – Key Takeaways

People Enjoy Walking and Biking to Destinations along Chase Drive

Bike Safety / Comfort Concerns Along Chase Drive

Bike Safety / Comfort Concerns in Hagan Park

Concerns with Bike Conflicts During School Drop Off

On-Line Project Survey (Winter 2022) – Biking Destinations

LEGEND



I Bike Here Often



On-Line Project Survey (Winter 2022) – Walking Destinations

LEGEND



I Walk Here Often



Project Timeline

May 2021:
\$2.4M Grant
Received

Dec 2021:
Start
Design

Dec 2022:
Community
Survey

April 2023:
Community
Meeting

Nov 2023:
Environmental
Permitting

2021

2022

2023

2024

Winter 2022:
Stakeholder Engagement /
Concept Plans Complete

Dec 2023:
City Council
Presentation

Spring
2024:
Complete
Final Plans

Summer
2024:
Begin
Construction



NEXT STEPS



- **Incorporate feedback into design**
- **Prepare final construction documents**
- **Construct project in Summer 2024**

MEMORANDUM



ITEM 12.3.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Darcy Goulart, Planning Manager
SUBJECT: **DISCUSSION AND POTENTIAL DIRECTION OF PLANNING COMMISSIONER APPOINTMENTS AND QUALIFICATIONS**

RECOMMENDATION

Receive a report on Planning Commission qualifications and two applications received to fill a vacant at-large member seat. Upon conclusion of the discussion and public comment, provide staff with any feedback or direction on the information presented and any future code amendments to Chapter 2.30 Planning Commission to address Council's direction and how to proceed with the two at-large applications received.

RESULT OF RECOMMENDED ACTION

Staff would present the Council with potential desired qualifications of the Planning Commission that would require code amendments to Chapter 2.30 Planning Commission. The Council could also direct staff to agendize for a future meeting the nomination and appointment of one of the two applicants to fill the vacant at-large seat or direct staff to reopen the application process once any specific qualifications are added to Chapter 2.30.

BACKGROUND

At the November 6, 2023, Regular City Council Meeting, the City Council directed staff to bring back a discussion item related to additional qualifications to be included in future applications for Planning Commissioners. This staff report will provide an overview of what the code currently says as it relates to qualifications, outline some potential qualifications and next steps.

DISCUSSION

Chapter 2.30 Planning Commission ([Attachment 1](#)) outlines various aspects of the Planning Commission. More specifically, Section 2.30.030 Application, appointments, and terms of office discusses the application period for vacant seats, which currently just states there shall be an application period of three (3) weeks to fill any vacant seat. This section also discusses how the Planning Commission is nominated and confirmed, as well as term limits. Additionally, five commissioners are nominated by individual members of the city council and confirmed by a majority vote. Each of these five seats coincides with the term of the Council Member that nominated that commissioner. The two at-large commission seats are nominated by any member of the City Council and confirmed by a majority vote. The terms of the at-large members are a term of four years.

The current qualifications for a position of Planning Commissioner include: must be at least 18 years of age, shall not be an elected or appointed official of another public entity whose jurisdiction includes any part of the City and shall reside within the incorporated boundaries of the City. Based upon brief comments at the November 6, 2023, City Council meeting made by the City Council during a call for future agenda items, there may be a desire for additional qualifications. This could be professional experience in a field closely related to development, including but not limited to land use or environmental professional, surveyor/engineer, designer, architect, building contractor, etc. If this is a desired qualification and not required, it could be included in applications for any vacant seat. However, if the Council wishes to make this a required qualification, staff would suggest only including it for the at-large positions.

In September of this year, a commissioner resigned, leaving one of the at-large seats vacant. The vacant position was posted in mid-October and closed on November 6, 2023. Two applications were received to fill the one vacant at-large seat and those have been included as an attachment to this staff report. Based upon the discussion, the City Council could select one of those applicants to fill the vacant seat or could direct staff to modify the desired qualifications and reopen the application.

SUMMARY

Upon conclusion of the discussion and any public comment, staff will request the following direction from the City Council:

1. Incorporating additional desired or required qualifications into Chapter 2.30.
2. How to proceed with the two applications received to fill the vacant at-large seat.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Chapter 2.30 Planning Commission
2. At Large Planning Commission Applications

**Chapter 2.30
PLANNING COMMISSION**

Sections:

[2.30.010 Establishment.](#)

[2.30.020 Membership.](#)

[2.30.030 Application, appointments, and terms of office.](#)

[2.30.040 Qualifications.](#)

[2.30.050 Removal from office.](#)

[2.30.060 Vacancies.](#)

[2.30.070 Duties and functions of the planning commission.](#)

[2.30.080 Rules.](#)

[2.30.090 Organization.](#)

[2.30.100 Meetings.](#)

[2.30.110 Voting.](#)

[2.30.120 Compensation.](#)

Prior legislation: Ord. 18-2003.

2.30.010 Establishment.

Pursuant to Section 65100 of the Government Code of the state of California, there is hereby established a planning commission which shall have the powers and duties and serve the purposes enumerated in said Section 65100 and this chapter, and which shall have jurisdiction within the incorporated boundaries of the city of Rancho Cordova; provided, however: from the effective date of the ordinance codified in this section until March 1, 2023 (Phase 1), the planning commission shall only have the power to take action on the following applications, projects, approvals, permits and appeals related to:

A. Processing, considering, and approving tentative and final parcel maps under Chapter 22.20 RCMC.

B. Processing, considering, and approving major design review for new residential projects under RCMC 23.104.030 and Table 23.104-1.

C. All other planning commission responsibilities regarding applications, projects, approvals, permits, and appeals in the Rancho Cordova Municipal Code are suspended from the effective date of the ordinance codified in this section until March 1, 2023. During this time, all appeals which would otherwise be heard by the planning commission shall be heard by the city council.

And further provided, from March 1, 2023, until June 1, 2023 (Phase 2), in addition to all powers granted during Phase 1, the planning commission shall also have the power to take action on the following applications, projects, approvals, permits and appeals related to:

D. Processing, considering, and approving tentative and subdivision maps under Chapter 22.20 RCMC.

E. Processing, considering, and approving major design review for commercial and industrial projects under RCMC 23.104.030 and Table 23.104-1. [Ord. 15-2022 § 3; Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A); Ord. 5-2011 § 1; Ord. 56-2004 § 3].

2.30.020 Membership.

The planning commission shall consist of seven commission officers. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.030 Application, appointments, and terms of office.

Appointments to the planning commission shall be made by the city council as follows:

A. An application period of three weeks shall be opened for any vacant planning commissioner seat. All applications shall be provided to individual members of the city council needing to fill the vacant seat for review and consideration for possible nomination.

B. Five commissioners shall be nominated by the individual members of the city council and confirmed by a majority vote prior to the first meeting of the council in February 2022. A commissioner's term for those council seats up for re-election in 2024 shall coincide with the term of the councilmember that nominated that commissioner. A commissioner's term for those council seats up for re-election in 2022 shall serve an initial two years. After the conclusion of the initial two-year term, the councilmember elected in 2022 shall have the ability to nominate a new commissioner for the remainder of the term if desired. Thereafter, following each election of the city council, re-elected or newly elected members of the council shall each nominate one member to serve on the planning commission within 90 days of taking office. All commissioners nominated by an individual member of the city council shall be confirmed by a majority vote of the city council.

C. Two commissioners shall be designated at-large members and shall be selected by the city council as a body from a pool of nominees. At-large members may be nominated by any member of the city council and confirmed by a majority vote prior to the first meeting of the council in February 2022. The term of the at-large commissioners will be terms of four years. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.040 Qualifications.

Minimum qualifications for the position of planning commissioner are as follows:

- A. Must be at least 18 years of age.
- B. Shall not be an elected or appointed official of another public entity whose jurisdiction includes any part of the city.
- C. Shall reside within the incorporated boundaries of the city of Rancho Cordova. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.050 Removal from office.

A planning commissioner may be removed from office by the city council without cause, notice or hearing. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.060 Vacancies.

Vacancies which occur within the commission shall be filled for the unexpired portions of the terms pursuant to RCMC [2.30.030](#). [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.070 Duties and functions of the planning commission.

The planning commission shall have the duties and functions as specified below.

- A. Serve as the approval authority as specified in Chapter 23.104 RCMC;
- B. Promote public interest in, and understanding of, the general plan, specific plans, special planning areas, and regulations relating to such plans;
- C. Consider and provide recommendations to the city council on amendments to the general plan, zoning code, specific plans and special planning areas;
- D. Consider subdivision matters arising from the Subdivision Map Act and this code;
- E. Consider appeals of the community development director;
- F. Perform other powers and duties as directed by the city council. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.080 Rules.

The planning commission shall adopt, subject to city council approval, rules of procedure which shall govern the conduct of hearings and other business of the commission. Copies of the rules shall be published and shall be available with the city clerk's office. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.090 Organization.

At the initial meeting of the commission, and annually thereafter at the first meeting of the calendar year for the commission, the members of the commission shall select a chairperson and vice-chairperson and shall determine the time, place, and frequency of regular meetings. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.100 Meetings.

The planning commission shall meet at least twice a month at a regularly scheduled time and date, and at other such times as the chairperson deems necessary to perform the duties of the commission. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.110 Voting.

Four members of the seven-member planning commission shall constitute a quorum, and a quorum is required for the commission to take action on any item on its agenda. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

2.30.120 Compensation.

A. Each member of the planning commission shall receive compensation for services as follows: Each member of the commission shall receive \$75.00 compensation for each planning commission meeting attended, including regularly scheduled or special meetings.

B. The city may, at the discretion of the city manager, approve payment to a member for necessary and actual expenses incurred by a member acting in an official capacity as a member of the planning commission. [Ord. 2-2022 § 3 (Exh. A); Ord. 22-2021 § 3 (Exh. A)].

From: [City of Rancho Cordova](#)
To: [Planning Services](#)
Subject: *NEW SUBMISSION* Planning Commission Application
Date: Wednesday, November 1, 2023 11:05:57 PM

Planning Commission Application

Submission #: 2800090
IP Address: [REDACTED]
Submission Date: 11/01/2023 11:05
Survey Time: 32 minutes, 12 seconds

You have a new online form submission.

Note: all answers displaying "*****" are marked as sensitive and must be viewed after your login.

Full Name

Elliott R.. Stevenson, Esq.

Home Address

[REDACTED]
[REDACTED]

Email Address

[REDACTED]

Date of Birth

[REDACTED]

Home Phone

[REDACTED]

Cell Phone

[REDACTED]

Occupation

Attorney At Law

Do you reside within the incorporated boundaries of the City of Rancho Cordova?

Yes

Are you currently serving as an elected or appointed official of another public entity whose jurisdiction includes any part of the city? If so, please state the entity and your role.

No.

If selected, will you be able to attend evening meetings regularly and devote the time necessary to fulfill your duties as a member, including yearly training that may require travel?

Yes.

The following questions will assist the City Council with evaluating your application and learning more about

your interest in becoming a Planning Commissioner.

In several paragraphs, please describe why would you like to be a planning commissioner. Please be as detailed as possible.

I would like to be a Planning Commissioner for the City of Rancho Cordova for many reasons, but I will highlight the two main influential aspects. The first reason is that I am a man of service, and I would like to serve my community. The second reason is that I would like to be involved in the planning of a dynamic city that I have grown up in and have witnessed it's many changes. I consider myself a service-based man who loves to serve and is most fulfilled when I have a purpose. My family comes from a long line of servicemen. My paternal grandfather served in the U.S. Navy for more than 20 years. My maternal grandfather served in the USAF for more than 20 years. My father served in the U.S. Navy as a dentist. Coming from that line of tradition I decided to continue serving our country, and specifically the State of California by earning my commission in the California State Guard. Currently, I am a First Lieutenant JAG officer with the duty of assisting service men and women with estate planning prior to deployment. My desire to be of service is strong, and I believe that serving on the planning commission will allow me to serve in a new and exciting way. The second reason that I would like to be a Planning Commissioner is that I was raised in Rancho Cordova and have seen it's many changes over the years. I believe that I can offer a point of view that is unique. While growing up here, I attended Cordova Meadows Elementary School and Mills Middle School. After the 8th grade, my mother bought a home in Roseville, so the family relocated. However, I vowed to return to the city one day. The reason that I came back is that I wanted to help. I still remember going to the BX on Mather AFB, the Mills Little League parade, and Cordova Lanes. I think that Rancho Cordova has a lot to offer its citizens and the Sacramento Metropolitan Area. I would like to be a part of something important and part of a team that has proven success and positivity.

In several paragraphs, describe your interest and involvement in your neighborhood and the community as a whole. Please be specific and include examples.

I have been involved in my neighborhood and in the community in several different ways. The first and most important is being involved in my children's education. I have one daughter at Cordova High School and one son at Williamson Elementary School. I am a part of the PTA at both of their schools. I have also donated school supplies and I participate in the community give-back program at the local Staples on Sunrise Boulevard. Together with a gentleman who used to be my little league coach at Mills Middle League, I founded a non-profit named, "I Love Rancho Cordova". Our goal is to support the local elementary schools by donating school supplies. We also hope to establish an after-school program at either Mills Middle School or Mitchell Middle School. In the meantime, we have mentored several young men enrolled at Mitchell Middle School. I volunteer and donate to an annual BBQ hosted by the O.K. Program, a program of which I was a part of during my time at Cordova Meadows and Mills. The BBQ is usually at either Hagan Park or at Cordova High School and it acts as a reunion for numerous individuals associated with the City of Rancho Cordova. I have been a member of Saint John Vianney Catholic Church on Coloma Road since the late 1980's and have donated time and volunteered at various events over the years. Most notably, I volunteered at their annual crab feed. For the past three years I have donated a Thanksgiving dinner to a family in need. I volunteered to coach my son's little league baseball team during his T-Ball year at Rancho Cordova Little League. My interest in the neighborhood and community is strongest in the Coloma Road area. My law office is located on Lincoln Village Drive and I offer paid and pro bono services for those in need from the City of Rancho Cordova, specifically. I have volunteered at the Capitol Air Show numerous times being a security guard on the flight line. Owner of Adopt-A-Highway locations on U.S. 50 East and West.

In several paragraphs, what do you like best about being a resident of the City of Rancho Cordova? Please be specific and include examples.

I like so many things about being a resident of the City of Rancho Cordova, it is hard to narrow it down to just one aspect. One of the best parts of being a resident of the City of Rancho Cordova is the ability to be a part of the history and tradition. My family came to the city in the 1960's when my grandfather was stationed at Mather AFB. My mother, aunts, and uncles attended elementary, middle, and high school here in Rancho Cordova. I have heard many stories over the years about Rancho Cordova's past. I feel blessed that now I am experienced and educated enough to give something back to the city and to make my own mark. Aside from the intrinsic values, one of my

favorite parts of the city is the American River. There is truly nothing like it in the Sacramento region. I like to just hang out by the water, or take a float during the 100 degree weather. My kids especially like to walk down by the banks and see the fish and the wildlife. Another aspect I love about the city is the culture and diversity. In the area that I am in, as you may well know, everyone comes from their various elementary schools, on to the two middle schools, and then on to Cordova to become Lancers. I love the comradery that is built during that process. I also love all of the different ethnic backgrounds that the city has to offer. The other great part about the city is that it also offers new construction and new businesses for those interested in something new. I appreciate the older part of Rancho Cordova, but also I appreciate the new areas as well. Although I do not live in the newer area, I am fond of the new growth and opportunity there. I also like the availability of the Light Rail system here. I used to commute to and from downtown Sacramento every day prior to becoming an attorney. It was beneficial to be able to ride the train to avoid traffic and parking. The last thing that I like the best about the city is the hard work ethic that is instilled here.

Attach a copy of your resume.

Elliott R. Stevenson Resume.pdf

I declare, under penalty of disqualification and termination, that all statements in this application are true and complete to the best of my knowledge.

Applicant's Signature

Elliott R.. Stevenson, Esq.

Date

11/01/2023 12:00 AM

Thank you,

City of Rancho Cordova

This is an automated message generated by Granicus. Please do not reply directly to this email.

Elliott Stevenson, Esq.
Attorney at Law

PROFILE

Results based, effective and passionate advocate. Dedicated, compassionate and motivated.

EXPERIENCE**Associate Attorney — Abramson Labor Group****2023 — Present**

Workers' compensation applicant's attorney.

Founder — I Love Rancho Cordova**2022 — Present**

President of a 501(c)3 with the goal of educational support and city pride.

Owner — The Stevenson Law Office**2021 — Present**

Solo practitioner.

1st Lieutenant Judge Advocate — California State Guard**2021 — Present**

Responsible for preparing various documents for soldiers prior to deployment.

Chief Financial Officer — The Jerry Manuel Foundation**2016 — Present**

Legal compliance with non-profit local, state, and federal laws.

Board of Directors — Sacramento Masonic Building Association**2016 — Present**

Legal affairs, public relations, and office management Director.

Analyst — California Department of Transportation**2008 — 2018**

Legislative affairs liaison and budget analyst.

VOLUNTEERISM**California Department of Transportation — Adopt-A-Highway Program****2021 — Present**

Two trash removal sites. One located on U.S. Highway 50 East between Mather Field Road and Zinfandel Road, and one on U.S. Highway West between Sunrise Boulevard and Zinfandel Drive.

EDUCATION

California State University Sacramento, Bachelors of Arts — 2008

Lincoln Law School of Sacramento, Juris Doctorate — 2016

BAR ADMISSIONS

California Supreme Court — 2021

United States District Court, Eastern District of California —2022

United States Court of Appeals, Ninth Circuit — 2022

MEMBERSHIPS

American Bar Association

California Lawyers Association

Sacramento County Bar Association

Wiley Manuel Bar Association of Sacramento

National, California, and Sacramento Association of Realtors

California State University, Sacramento, Alumni Association

Kappa Alpha Psi Fraternity, Inc.

Prince Hall Free and Accepted Masonry



From: [City of Rancho Cordova](#)
To: [Planning Services](#)
Subject: *NEW SUBMISSION* Planning Commission Application
Date: Friday, November 3, 2023 10:40:08 AM

Planning Commission Application

Submission #: 2803087
IP Address: [REDACTED]
Submission Date: 11/03/2023 10:40
Survey Time: 36 minutes, 49 seconds

You have a new online form submission.

Note: all answers displaying "*****" are marked as sensitive and must be viewed after your login.

Full Name

Tegan Knifton

Home Address

[REDACTED]
[REDACTED]

Email Address

[REDACTED]

Date of Birth

[REDACTED]

Home Phone

[REDACTED]

Cell Phone

[REDACTED]

Occupation

Regional Workforce Development Manager

Do you reside within the incorporated boundaries of the City of Rancho Cordova?

Yes

Are you currently serving as an elected or appointed official of another public entity whose jurisdiction includes any part of the city? If so, please state the entity and your role.

Board Member, Community Enhancement & Investment Fund Citizen Oversight Board

If selected, will you be able to attend evening meetings regularly and devote the time necessary to fulfill your duties as a member, including yearly training that may require travel?

Yes

The following questions will assist the City Council with evaluating your application and learning more about

your interest in becoming a Planning Commissioner.

In several paragraphs, please describe why would you like to be a planning commissioner. Please be as detailed as possible.

Council Members, I am grateful for the opportunity to be considered for the open Planning Commission seat. I have been a Rancho Cordova resident since 2010 and while I was born and raised in Carmichael, where the rest of my extended family has lived since the 1940's and continues to reside, I have fallen in love with Rancho Cordova and intend to remain a Rancho Cordova resident for years to come. I believe that in order to create positive and lasting change, and to make a difference, we have to get involved. A seat on the Planning Commission means an opportunity to help shape what the City will look like in another 20 years, and is a way to use my knowledge, skills, expertise, and experience to give back to the City. As a resident with children attending Navigator Elementary, Mitchell Middle School, and Cordova High School, I am deeply embedded in our community through the school system and want Rancho Cordova to be a place my children love as much as I do, and where they are proud to call their hometown. I'd like to be a Planning Commissioner because of my passion for economic development and ensuring equitable opportunities for our residents. A role on the Planning Commission will allow me to offer a unique voice and perspective, representing women, parents of school-aged children, and a complimentary and diverse combination of experience with businesses of all sizes as well as non-profit organizations. It's also important to demonstrate to my family, friends, and community that we must be involved where we work, live, learn, stay, and play. Rancho Cordova has offered so much to the community with the organizations and resources we have, but I believe there is more we can do. I want to be part of shaping Rancho Cordova into the City we intend to be, as a vacation destination, a technology and innovation hub, and as THE place people in the region want to live.

In several paragraphs, describe your interest and involvement in your neighborhood and the community as a whole. Please be specific and include examples.

My interest and involvement in the community has been extensive. I am an active resident of Somerset Ranch, having applied for micro grants on behalf of my neighborhood for 4th of July and Halloween events, supported by Measure H. I have served on Navigator Elementary's PTA board, School Site Council, FCUSD District Advisory Council and Budget Advisory Councils, and Mitchell Middle School's PTSO and Music Boosters. I served for two years on the Sacramento Children's Museum board of directors and currently serve as board president of the Community Enhancement and Investment Fund Citizen Oversight Board (my term will end next year). I actively attend River City Christian, having been a member for years, and am intentional about supporting Rancho Cordova businesses with my time and dollars. I have been involved in the City's Development Services Team and weekly meetings since its inception, offering prospective business owners an opportunity to connect with a variety of departments at once, making the process easier and ensuring our businesses are well informed and well connected. In addition to regularly participating in Kids Day in the Park, I-Fest, the PAL Holiday Run, State of the City, the summer concert series, and more, my kids are also actively involved. This year one of my daughters participated in a Speech & Debate course offered at City Hall through the Suvhida Foundation, a Youth Environmental Leadership camp at Splash, and PAL Digital Forensics camp at the Youth Center. My son volunteered over the summer with the Sierra Service Project, making improvements to homes in Rancho Cordova through Day of Service and participated in a Summer at City Hall internship opportunity. Two of my kids swim for the Cordova Blue Marlins swim team, have been members of a Rancho Cordova Girl Scout troop for six years, and we all regularly visit the MACC for classes and art shows. We are Rancho proud.

In several paragraphs, what do you like best about being a resident of the City of Rancho Cordova? Please be specific and include examples.

What I like best about being a resident of Rancho Cordova can be summarized into two things: first, the sense of community and loyalty that exists in Rancho Cordova, and second, the diversity. I tell people all the time that regardless of how well the team is playing that year, there is nothing like a Cordova High football game. The community pride and support is unmatched. You hear stories like how there is a custodian at Cordova who graduated from the school and has worked there now for decades, and those stories are not unique. People stay in Rancho because they love Rancho. I also tell friends and family all the time that living in Rancho Cordova and sending my kids to our public schools has offered them a variety of experiences and access to knowledge they

wouldn't have been able to get in many other places in the region. We celebrated Halloween with our neighbors on Tuesday, Dia de los Muertos in their classrooms and at the Children's Museum on Wednesday, and will attend the Diwali Celebration of Lights this weekend—where else can you be immersed in, and learn to appreciate, that richness of cultural experiences in one week? That is the beauty of living in Rancho Cordova, and that will lead to this next generation changing the world because of their understanding, compassion, empathy, and knowledge of different ideas and perspectives. I wouldn't trade it. Okay, and I'm completely honest, I'd be remiss to leave out the Barrel District. If you want to learn more, or discuss further, you can find me any Saturday night at Log Off for music bingo, JJ Pfister on Wednesdays for trivia, and Drink EEZY any other night of the week reading a book and enjoying a glass of wine. Cheers!

Attach a copy of your resume.

Resume.docx

I declare, under penalty of disqualification and termination, that all statements in this application are true and complete to the best of my knowledge.

Applicant's Signature

Tegan Knifton

Date

11/03/2023 12:00 AM

Thank you,

City of Rancho Cordova

This is an automated message generated by Granicus. Please do not reply directly to this email.

TEGAN KNIFTONEXPERIENCE

**Economic & Small Business Development Senior
SMUD**

**3/2023 – present
Sacramento, CA**

- Serving in a leadership role representing the region's Zero Carbon workforce needs to the community and regional, state, federal and/or utility workforce initiatives.
- Plan, organize, budget, and manage SMUD regional workforce development program resources and outreach activities, and pursue and collaborate with Sacramento area City and county agencies and community organizations to establish and leverage Sacramento area workforce development programs and collaborate on use of resources, including non-SMUD resources, such as funds and grants.
- Ensure a SMUD leadership and partnership role in Sacramento area workforce development by establishing and maintaining effective working relations with local and state workforce development organizations; pursues and maintains relations with local community organizations and community leaders; and participates as one of SMUD's primary representatives in various workforce development forums and agencies.
- Acts as a primary point of contact for community-based organizations by establishing and maintaining personalized business relationships, identifying customer issues and needs, and proactively developing strategies to deal with unique and diverse challenges; coordinates communications between ethnic and community-based organizations and SMUD departments, management, executive management, and Board of Directors.
- Collaborate with organizations at the C-suite level, community leaders, and politicians to improve the region's Zero Carbon workforce through collective impact; build capacity of individuals, families, neighborhood and broader communities to advocate on their own and achieve collective outcomes.
- Administer the department budget by participating in planning, monitoring and revising partnerships, work plans, expenditures and assignments.
- Negotiate, review and recommend partnerships, sponsorships, contracts, and other written commitments; perform strategic analysis of how customer needs match SMUD priorities, and industry and community trends.
- Monitor, interpret and communicate to SMUD management community and industry patterns and trends, understand the political implications of situations and events pertaining to regional workforce development; analyze community and market changes and/or community or industry developments to determine new business and partnership opportunities; seek new channels for customer feedback.
- Plan and prepare grant proposals for federal, state and other funding sources and conducts research to identify potential funding sources.
- Provide support and monitors results that contribute to achieving SMUD's regional workforce development strategy objectives. Understands SMUD's business and future regional workforce needs related to Zero Carbon jobs.

- Manage and guide work activities associated with CMC workforce development programs in accordance with established task objective and schedule as outlined in project plans and/or contracts, including grants.
- Provide support and monitors results that contribute to achieving CMC's workforce development strategy objectives. Understands CMC's and the region's business and future workforce needs.
- Participate in task forces, coalitions and other regional meetings throughout the greater Sacramento area; advise stakeholders on SMUD's programs and work collaboratively to prioritize regional workforce development needs and link to and/or align with existing or ideate/propose new CMC programs.

Supervisor, Strategic Account Management
SMUD

12/2016 – 3/2023
Sacramento, CA

- Provide direction to a team of Strategic Account Advisors in complex customer interactions, rate negotiations, customized solutions, and ongoing relationships. Ensure the customer relationship is deepened through outcome-oriented, comprehensive account planning and successful plan execution. Maintain a portfolio of the highest level of key customers, navigating upgrades to distribution and transmission systems and successfully facilitating mutually beneficial partnerships.
- Developed and implemented SAA metrics, monitored employee performance, provided timely feedback and took corrective action as required. Provide guidance and mentorship to direct reports, peers, and others in the department. Ensure continued professional development of employees using available internal and external resources.
- Established direct, ongoing, professional relationships with C-suite and decision-making leaders and staff with key customers from grocery, retail, hospitality, and property management segments within SMUD. Assumed responsibility for determining and responding to commercial customer needs. Navigated and understood customers' internal political structure, specifically at the executive level, and attended customer meetings, presentations, focus groups, and service projects where beneficial. My role as the customer's trusted advisor includes influencing senior leaders in the areas of strategic sustainability planning, community engagement and partnerships, assisting with process improvement that includes strategies for encouraging employee behavioral change. Customers include C-suite executives from organizations that include Raley's, Safeway, DOCO, the Sawyer Hotel, and the Sacramento Kings.
- Increase participation in new and existing SMUD services, coordinated requests for services with responsible departments and initiated new service programs based on in-depth analysis of customer needs, most recently in the Multifamily property management sector as it relates to SMUD's 2030 Zero Carbon Plan.
- Act as a subject matter expert in Rates, Energy Services, Customer Services and Billing, Energy Operations, and Distribution Services for Retail, Property Management, Multifamily, and Hospitality key customers. Additionally, resolve various customer-related policy and service issues reported through management pertaining to aforementioned areas.
- Represented Commercial Delivery in the Commercial Rate Restructure (CRR), receiving a Power Done Right award for Q1 2022; effectively led a team of SAA's and my portfolio of customers through the CRR with zero customer complaints or escalations.
- Work with internal teams to ensure operational efficiencies and service levels exceed customer expectations through strong customer service orientation, with excellent follow through.
- Work with electrical and general contractors to smoothly navigate customer projects and promote SMUD programs and services, including SEED and Sustainable Communities offerings.

- Develop, propose, negotiate, and implement sponsorships, contracts, and MOU's.
- Support SMUD efforts with respect to community involvement by participating regularly in community service activities and organizations, including Board service for the Sacramento Children's Museum.
- Employ change management techniques and best practices to ensure employee engagement through a department realignment, maintaining a seamless customer experience, most recently through a reorganization and change in primary CRM from SalesLogix to SAP Sales Cloud.
- Planned, coordinated, and implemented the first Commercial Blitz, including developing targeted marketing materials and messaging for SAA's to share with customers. This activity encouraged engagement across all Commercial Delivery teams, requiring collaboration across segments.
- Created and implemented email and physical marketing campaigns to share messaging with targeted customers around outage preparation, customers' Annual Relationship Summaries, and segment-specific leave-behinds for the food service segment.

**Supervisor & Senior CSR, Contact Center
SMUD**

**12/2011 – 12/2016
Sacramento, CA**

- Developed, implemented, and evaluated performance measures, application, planning and evaluation for Contact Center CSR's in alignment with SMUD 3.0 Competencies that included Average Handle Time, First Call Resolution, and Quality Assurance.
- Served as the main point of contact for achieving all Contact Center Safety targets.
- Supported process improvement through participation in journey mapping, business process mapping, and decision-making meetings for Payment Arrangements and Web Moves. Identified opportunities for process improvement, operational efficiency, and improved data governance, and initiated and implemented change.
- Demonstrated ability to work with and support cross-functional project teams, including Grid Assets, Commercial Delivery, Marketing, and others.
- Utilized project management tools, techniques, and methodologies to initiate, develop, and implement process improvement across Customer Operations for Law Enforcement Information Requests.
- Maintained a focus on customer experience excellence through the Customer Experience Guiding Principles.
- Gained experience with Work Force Optimization tools such as Work Force Management, Quality Assurance, Interactive Voice Response, Self Service Web and Mobile technologies, and Exception Management.
- Prioritized and coordinated daily, weekly, monthly, and annual tasks to complete projects within deadlines.
- Initiated and implemented process improvement for the EnergyHelp program through the BTRSR, working collaboratively with Customer Solutions and IT.
- Demonstrated effective Interpersonal Savvy as the Key Campaigner for the Contact Center in the 2013 Combined Charities campaign, increasing giving and participation 300% over the prior year.
- Provided Customer Experience Excellence through SMUD's telephone customer service channel to both peers and customers, deescalating calls pertaining to sensitive subjects throughout the Smart Meter roll out.

Branch Manager/Business Specialist
Washington Mutual Bank – JPMorgan Chase

6/1999 – 8/2001, 5/2005 -12/2011
Sacramento, CA and Spokane, WA

- Opened two new build branches in Elk Grove, CA and successfully executed business strategies that led to record setting profitability among new branches. Hired, trained, evaluated, and supervised staff for branches of up to 16 employees.
- Effectively partnered with community leaders to drive business and create lasting professional relationships and equitable banking and lending opportunities with customers in Elk Grove and Spokane, and the surrounding areas, including those within disadvantaged and underserved communities.
- Worked to provide strategic, operational, and fiscal leadership while working to reach the company's long-term goals and maintain organizational vision.
- Leveraged change management practices and methodologies to affect sustainable cultural change at the branch level during JPMorgan Chase's acquisition of Washington Mutual.
- Worked collaboratively with loan, business, and investment teams to guide development for client growth with a focus on equitable access for minority-owned, women-owned, and veteran-owned businesses.
- Utilized principles and techniques of research and analysis to identify opportunities for efficiency in staffing, effectively utilizing FTE to decrease costs and increase profitability.
- Managed contracts with vendors such as Garda, ADP, Siemens, Paychex, the Federal Reserve, and Deluxe to ensure compliance with all rules and regulations.

EDUCATION/CERTIFICATIONS

BS, Kinesiology, California State University, Sacramento
California Preliminary Credential

MS, Organizational Management, University of Arizona

U.S. Chamber Talent Pipeline Management Program Certification

ACHIEVEMENTS

- Leadership Rancho Cordova alumni, class of 2016
- Sacramento Children's Museum Board of Directors, January 2016 to January 2018
- Proficient in Microsoft Office applications, including Word, Excel, Outlook, Teams and PowerPoint
- Recognized with SMUD's 2018 "Spirit of SMUD" award for community involvement in 2017
- Western Energy Institute's Business Acumen for Emerging Leaders graduate, class of 2019
- Mentor for the 2020/2021 WEI Business Acumen for Emerging Leaders program
- Board chair, Rancho Cordova Community Enhancement Fund Oversight Board, 2020-current
- Folsom Cordova Unified School District Advisory Council & Budget Advisory Committee member, 2020-2022
- SMUD Power Done Right award in Q1 2022 for work on the Commercial Rate Restructure

- SMUD Power Done Right award in Q4 2022 for creating the Mentoring Program
- SMUD Power Done Right award in Q1 2023 for Storm Response
- SMUD Women's Employee Resource Group board member, 2019-current

MEMORANDUM



ITEM 12.4.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Stacy Leitner, City Clerk
SUBJECT: **APPROVAL OF COUNCIL MEMBER APPOINTMENTS TO REGIONAL BOARDS, COMMISSIONS, AND COMMITTEES**

RECOMMENDATION

Confirm commitments to serve on other agency boards, commissions, and committees.

RESULT OF RECOMMENDED ACTION

The City Council would continue to serve in leadership roles throughout the region. The City Clerk would notify each agency board, commission, or committees of any changes or reappointments and help ensure that any necessary Fair Political Practices Commission (FPPC) filings are completed.

BACKGROUND

Each year Council Members discuss and determine appointments to serve on various advisory boards in the community to ensure that the City has representation within the region. By discussing and confirming their appointments annually, the members of the Council are committing their time to serve in these important leadership roles.

The 2024 Proposed Council Member Appointments to Regional Boards, Commissions, and Committees, Attachment 1, is included with this staff report.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. 2024 Proposed City Council Boards, Commissions, and Committees Appointments

2024 Proposed City Council Appointments

Name	Meeting Schedule	2023	2024
Sacramento Area Council of Governments (SACOG)/Capitol Valley Regional SAFE • Airport Land Use Commission	3rd Thursday of the month from 9:30 – 11:30 a.m.	Sander Alt: Terry	Sander Alt: Terry
Sacramento Regional Transit District	2nd and 4th Monday of the month at 4:00 p.m.	Budge Alt: Sander	Budge Alt: Sander
Sacramento Transportation Authority	2nd Thursday of the month at 1:30 p.m.	Terry Alt: Pulipati	Terry Alt: Pulipati
Capital SouthEast Connector Joint Powers Authority	Last Friday of the month from 8:30–10:30 a.m.	Gatewood Alt: Pulipati	Gatewood Alt: Pulipati
Sacramento Placerville Transportation Corridor Joint Powers	Quarterly at 9:30 a.m.	Sander Alt: Budge	Sander Alt: Budge
Sacramento Metropolitan Air Quality Management District	4th Thursday of the month at 9:00 a.m.	Terry Alt: Pulipati	Terry Alt: Pulipati

2024 Proposed City Council Appointments - Continued

Name	Meeting Schedule	2023	2024
Sacramento Area Sewer District	2nd and 4th Wednesday of the month at 9:30 a.m.	Sander Alt: Gatewood	Sander Alt: Gatewood
Regional San - Sacramento County Sanitation Districts Financing Authority - Sacramento Regional County Sanitation District	2nd and 4th Wednesday of the month at 9:30 a.m.	Sander Alt: Gatewood	Sander Alt: Gatewood
Sacramento Metro Cable Television Commission	Quarterly in March, June, September, and December at 2:30 p.m.	Pulipati Alt: Gatewood	Pulipati Alt: Gatewood
Sacramento-Yolo Mosquito and Vector Control District	3rd Tuesday of the month at 10:00 a.m.	McGarvey Alt: Sander	McGarvey Alt: Sander
South Sacramento Habitat Conservation Plan Advisory Board	Last Monday of every other month at 11:30 a.m.	Budge, Gatewood Alt: Terry, Pulipati	Budge, Gatewood Alt: Terry, Pulipati

2024 Proposed City Council Appointments - Continued

Name	Meeting Schedule	2023	2024
Greater Sacramento Economic Council	Monthly	Designee: Sander	Designee: Sander
Sacramento Local Agency Formation Commission	1st Wednesday of the month at 5:30 p.m.		
Sacramento Public Library Authority Governing Board	4th Thursday of the month at 3:00 p.m.	Gatewood Alt: Budge	Gatewood Alt: Budge
Lower American River Conservancy Program Advisory Committee	As Needed	Terry Alt: Gatewood	Terry Alt: Gatewood
NLC Postsecondary Education Team	Monthly	Terry, Sander	
Folsom Lake College Philanthropy Council	Monthly	Pulipati	Pulipati
City Selection Committee of Sacramento County	As Needed	Mayor	Mayor
Sacramento County Criminal Justice Cabinet	Meetings Quarterly January/April/July/October	Appointee: Mayor Designee: Chief of Police	Appointee: Mayor Designee: Chief of Police

2024 Proposed City Council Appointments - Continued

Name	Meeting Schedule	2023	2024
Sacramento Homeless Policy Council	Active	Terry	Terry

2024 Proposed City Council Ad-hoc Committee Appointments

Name	2023	2024
Sacramento County (M/VM)	Budge, Sander	Sander, Pulipati
Elk Grove Unified School District	Pulipati, Terry	Pulipati, Terry
Folsom Cordova Unified School District	Sander, Budge	Sander, Budge
Sacramento City Unified School District	Terry, Gatewood	Terry, Gatewood
Golden State Water Company	Gatewood, Budge	Gatewood, Budge
Sacramento Metropolitan Fire District	Gatewood, Budge	Gatewood, Budge
SMUD	Gatewood, Terry	
City of Rancho Cordova Asset Naming Committee	Budge, Sander	
City of Rancho Cordova Investment Committee	Gatewood, Sander	
Mobile Home Committee	Terry, Gatewood	
Gateway Signage Committee	Sander, Budge	

2024 Proposed City Council Ad-hoc Committee Appointments

Name	2023	2024
Nonprofit COVID-19 Recovery and Support	Gatewood, Pulipati	
Growing Strong Neighborhoods	Sander, Terry	Sander, Terry
Cordova Recreation and Park District	Gatewood, Pulipati	Gatewood, Pulipati
Rancho Cordova Technology & Innovation Committee	Gatewood, Pulipati	Gatewood, Pulipati

MEMORANDUM



ITEM 12.5.

DATE: December 18, 2023
TO: Honorable Mayor and Council Members
FROM: Stacy Leitner, City Clerk
SUBJECT: **A RESOLUTION ADOPTING THE 2024 CITY COUNCIL MEETING SCHEDULE**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would confirm the 2024 Rancho Cordova City Council meeting schedule.

BACKGROUND

To ensure maximum attendance of council members and the community in our legislative process, we prepare an annual meeting schedule. We also monitor local, state, and national events, including events and conferences hosted by the League of California Cities, National League of Cities, Cordova Community Council, and Rancho Cordova Area Chamber of Commerce.

As part of its annual business planning for the upcoming year, the City Council reviews the next year's calendar and determines its meeting schedule for the following year. Exhibit A to the attached Resolution (Attachment 2) is the proposed City Council Meeting dates for 2024. Under Assembly Bill No. 2449 (AB 2449), a legislative body can hold a "hybrid" (partial teleconference, partial in-person) meeting without having to meet certain requirements. However, the City will be required to have a quorum of Council Members at a physical location for each meeting. In addition, the City must allow the public to observe the meeting and participate both in person and remotely.

Under AB 2449, individual Council Members have the option to participate remotely in meetings for "just cause" no more than twice in a calendar year, and "emergency circumstances," limited to no more than three consecutive months or 20% of the City's regular meetings per year.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - 2024 Proposed Rancho Cordova City Council Meeting Schedule

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, CONFIRMING THE 2024 CITY COUNCIL MEETING SCHEDULE

WHEREAS, Government Code Section 54954 provides that the legislative body of a local agency may establish the time and place for regular meetings by Resolution; and

WHEREAS, Resolution No. 18-2010 set the time and place for Regular meetings as 5:30 p.m. on the first and third Monday of the month, provided that if a Regular meeting date is an official holiday, the meeting will be held on the following day; and

WHEREAS, in order to ensure maximum attendance of Council Members and the community in our legislative process the City is setting its City Council meeting schedule for the calendar year 2024.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA sets its 2024 City Council meeting schedule as outlined in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 18th day of December 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Sander, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

ITEM 12.5.**ATTACHMENT 2****Exhibit A to the Resolution****Proposed 2024 Rancho Cordova City Council Meeting Schedule**

JANUARY 2024	
Tuesday, January 2	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting (Tuesday due to the New Year's Day Holiday - Cancel)
Tuesday, January 16	5:30 PM Regular Meeting (Tuesday due to Martin Luther King, Jr. Day Holiday)
Tuesday, January 23	5:30 PM Special Meeting/Work Session
FEBRUARY 2024	
Monday, February 5	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Tuesday, February 20	5:30 PM Regular Meeting (Tuesday due to the President's Day Holiday)
Monday, February 26	9:00 AM Special Meeting/Study Session - Visioning
Tuesday, February 27	5:30 PM Special Meeting/Work Session
MARCH 2024	
Monday, March 4	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, March 18	5:30 PM Regular Meeting
Tuesday, March 26	5:30 PM Special Meeting/Work Session
APRIL 2024	
Tuesday, April 2	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting (Tuesday due to Cesar Chavez Holiday)
Monday, April 15	5:30 PM Regular Meeting – Cancel due to Cap-to-Cap
Tuesday, April 23	5:30 PM Special Meeting/Work Session
MAY 2024	
Monday, May 6	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, May 20	5:30 PM Regular Meeting
Tuesday, May 28	5:30 PM Special Meeting/Work Session
JUNE 2024	
Monday, June 3	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, June 17	5:30 PM Regular Meeting
Tuesday, June 25	5:30 PM Special Meeting/Work Session
JULY 2024	
Monday, July 1	4:00 PM Special Meeting 5:30 PM Regular Meeting
Monday, July 15	5:30 PM Regular Meeting
Tuesday, July 23	5:30 PM Special Meeting/Work Session - Cancel

ITEM 12.5.**ATTACHMENT 2
Exhibit A to the Resolution**

AUGUST 2024	
Monday, August 5	4:00 PM Special Meeting/Study Session - Cancel 5:30 PM Regular Meeting - Cancel
Monday, August 19	5:30 PM Regular Meeting
Tuesday, August 27	5:30 PM Special Meeting/Work Session
SEPTEMBER 2024	
Tuesday, September 3	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting (Tuesday due to Labor Day Holiday)
Monday, September 16	5:30 PM Regular Meeting
Tuesday, September 24	5:30 PM Special Meeting/Work Session
OCTOBER 2024	
Monday, October 7	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, October 21	5:30 PM Regular Meeting
Tuesday, October 29	5:30 PM Special Meeting/Work Session
NOVEMBER 2024	
Monday, November 4	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, November 18	5:30 PM Regular Meeting
Tuesday, November 26	5:30 PM Special Meeting/Work Session
DECEMBER 2024	
Monday, December 2	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Tuesday, December 10	5:30 PM Special Meeting/Work Session
Monday, December 16	5:30 PM Regular Meeting