



Folsom City Council Staff Report

MEETING DATE:	2/24/2026
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11556 – A Resolution Directing the Preparation of Engineer’s Report for the following Landscaping and Lighting Districts for Fiscal Year 2026-27 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council adopt Resolution No. 11556 – A Resolution Directing the Preparation of Engineer’s Report for the following Landscaping and Lighting Districts for Fiscal Year 2026-27 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs.

BACKGROUND / ISSUE

The City of Folsom has thirty existing Landscaping and Lighting Districts (Districts). Annually, as part of the annual assessment process, an Engineer's Report must be prepared in accordance with the requirements of Article 4 of Chapter 1 of Part 2 of Division 15 of the *Streets and Highways Code* and the *Landscaping and Lighting Act of 1972*. The Fiscal Year 2026–2027 Engineer's Report for the City's thirty Landscaping and Lighting Districts will be prepared by the City's consultant, NBS Government Financing Group, working with City staff.

The Engineer's Report for Fiscal Year 2026-27 will address all thirty Districts in one report and will be submitted to the City Council for final approval. The annual Engineer's Report process is a three-step process, and we are currently on step one.

To improve transparency, the Council directed staff last fiscal year to include a revenue and expense table in the Engineer's Reports moving forward. This table will be included in the upcoming Preliminary Engineer's Report and will help to summarize and highlight those districts with an operational deficit. Annual operational deficits are funded from the District's pooled cash account. Any reserve fund balance deficits are assigned to the District, are the District's ongoing financial responsibility. Operating deficits can be reduced through annual reserve fund collections or by reducing services provided to the District.

There are currently several Districts within the City that do not include an annual inflationary adjustment to keep the assessment rate up with the increased cost of services. Due to inadequate inflationary adjustment, these Districts have struggled to maintain service levels consistent with the levels planned at their formation. These Districts will be slated for future Proposition 218 proceedings to allow the residents the opportunity to vote on a new assessment rate to support the continued maintenance, as well as life cycle replacement of assets within their District. The Hannaford Cross and Briggs Ranch Districts will be budgeted for Prop 218 outreach during Fiscal Year 2026-27.

Staff are currently conducting the Proposition 218 process with the residents of the Natoma Station Landscaping and Lighting District. Pursuant to Section 22605(d) of the *Streets and Highways Code*. The original Natoma Station Landscaping and Lighting District will be consolidated with the Natoma Station Maintenance Assessment District No. 2025-2 if approved.

POLICY / RULE

Section 22622 of the *Streets and Highways Code* requires the Council to adopt a resolution directing the preparation of the Engineer's Report as part of the annual assessment process for the Districts.

ANALYSIS

The Engineer's Report for the thirty Districts for Fiscal Year 2026-27 will be prepared by NBS Government Financing Group (NBS). The Preliminary Engineer's Report is expected to be submitted for City Council review and approval on March 24, 2026, and the final Engineer's Report and the public hearing is scheduled for April 14, 2026.

2/24/2026 Step 1: The resolution directing the preparation of the Engineer's Report. This is the first official step in the legal process. This report will be accompanied by a staff presentation.

3/24/2026 Step 2: The resolution approving the Preliminary Engineer's Report. This item will be accompanied by a presentation detailing the contents of the Engineer's Report.

4/14/2026 Step 3: The resolution approving the Final Engineer's Report, confirming the diagram of assessments, and ordering the continued maintenance and servicing of the improvements within the listed Districts. This is the final step in the annual Engineer's Report process. This will be a Public Hearing item and will be accompanied by a staff presentation.

Included within the report for each District will be the following:

- A. Plans and specifications for the maintenance of the improvements (on file in the Parks and Recreation Department)
- B. Estimate of the cost of maintaining the improvements
- C. Diagrams of the assessment Districts
- D. Assessment of the estimated costs for maintaining the improvements

Due to the structural deficit within the existing Natoma Station Landscaping and Lighting District and the timing overlap between the Proposition 218 proceedings and the annual Engineer's Report process, two separate Engineer's Reports for Natoma Station Landscaping and Lighting District will be prepared concurrently. The Engineer's Report, included as part of the City's annual assessment process, assumes that the proposed assessment does not pass. Under that scenario, service reductions exceeding \$100,000 would be required to balance the Natoma Station Landscaping and Lighting District's budget.

Conversely, the Engineer's Report prepared in connection with the Proposition 218 ballot proceedings for the proposed Natoma Station Maintenance Assessment District No. 2025-2 was developed under the assumption that the assessment would be approved in the absence of a majority protest. Accordingly, that report reflects the full assessment amount necessary to restore and enhance service levels, establish reserves for future capital renovation and replacement needs, and address repayment of the existing deficit.

If the proposed Natoma Station Maintenance Assessment District No. 2025-2 is approved, pursuant to Section 22611 of the California Streets and Highways Code, all assets, liabilities, revenues, expenses, and installment obligations of the original Natoma Station Landscaping and Lighting District will be transferred to and assumed by the Natoma Station Maintenance Assessment District No. 2025-2 for the continued maintenance and servicing of the improvements. At that time, the Natoma Station Landscaping and Lighting District, included

in the comprehensive 30-District Engineer's Report, will cease to exist, and the original Natoma Station Landscaping and Lighting District Engineer's Report will be abandoned. More detailed information will be included in the next presentation as part of step two of the process.

FINANCIAL IMPACT

Each Landscaping and Lighting District levies and collects funds to cover operating and maintenance costs. The Fiscal Year 2026-27 budget for the Districts includes funding for the preparation of the Engineer's Report. There is no fiscal impact to the City of Folsom General Fund.

ENVIRONMENTAL REVIEW

This does not apply as there is no environmental review aspect to the Engineer's Report.

ATTACHMENTS

Resolution No. 11556 – A Resolution Directing the Preparation of Engineer's Report for the following Landscaping and Lighting Districts for Fiscal Year 2026-27
American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prairie Oaks Ranch No. 2, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs

Submitted,

Kelly Gonzalez, Parks & Recreation Director

Attachment 1

RESOLUTION NO. 11556

A RESOLUTION DIRECTING THE PREPARATION OF ENGINEER'S REPORT FOR THE FOLLOWING LANDSCAPING AND LIGHTING DISTRICTS FOR FISCAL YEAR 2026-27 AMERICAN RIVER CANYON NORTH, AMERICAN RIVER CANYON NORTH NO. 2, AMERICAN RIVER CANYON NORTH NO. 3, BLUE RAVINE OAKS, BLUE RAVINE OAKS NO. 2, BRIGGS RANCH, BROADSTONE, BROADSTONE NO. 4, BROADSTONE UNIT NO. 3, COBBLE RIDGE, COBBLE HILLS RIDGE II/REFLECTIONS II, FOLSOM HEIGHTS, FOLSOM HEIGHTS NO. 2, HANNAFORD CROSS, LAKE NATOMA SHORES, LOS CERROS, NATOMA STATION, NATOMA VALLEY, PRAIRIE OAKS RANCH, PRAIRIE OAKS RANCH NO. 2, PROSPECT RIDGE, SIERRA ESTATES, SILVERBROOK, STEEPLECHASE, THE RESIDENCES AT AMERICAN RIVER CANYON, THE RESIDENCES AT AMERICAN RIVER CANYON II, WILLOW CREEK ESTATES EAST, WILLOW CREEK ESTATES EAST NO. 2, WILLOW CREEK ESTATES SOUTH, AND WILLOW SPRINGS

WHEREAS, the City Council of the City of Folsom has established thirty Landscaping and Lighting Assessment Districts described as follows:

American River Canyon North	Natoma Station
American River Canyon North No.2	Natoma Valley
American River Canyon North No.3	Prairie Oaks Ranch
Blue Ravine Oaks	Prairie Oaks Ranch No. 2
Blue Ravine Oaks No. 2	Prospect Ridge
Briggs Ranch	Sierra Estates
Broadstone	Silverbrook
Broadstone No. 4	Steeplechase
Broadstone Unit No.3	The Residences at American River Canyon
Cobble Ridge	The Residences at American River Canyon II
Cobble Hills Ridge II/Reflections II	Willow Creek Estates East
Folsom Heights	Willow Creek Estates East No. 2
Folsom Heights No. 2	Willow Creek Estates South
Hannaford Cross	Willow Springs
Lake Natoma Shores	
Los Cerros	
; and	

WHEREAS, pursuant to the Landscape and Lighting Act of 1972 ("Act"), Division 15, Part 2 of the *Streets and Highway Code*, the assessment is for the maintenance of public areas including, but not limited to, landscaped areas, street corridors, project entryways, certain parks, parkways, medians, statuary, residential village entryways, sound walls, fences, project signage,

streetscapes, landscape, lighting maintenance and lighting, water and utility bills; and

WHEREAS, the City Council of the City of Folsom has determined that said territories will be specifically benefited by the maintenance and servicing of said landscape and appurtenant improvements; and

WHEREAS, Sections 22620 through 22631 of the Act provide for annual assessments after the formation of said Districts; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to have the City's engineer prepare the Engineer's Report and file the same with the Clerk for submission to the City Council, and that NBS Government Financing Group is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIID of the California Constitution. Upon completion, the Engineer shall file the Engineer's Report with the Clerk of the Council for submission to the Council; and

PASSED AND ADOPTED this 24th day of February 2026, by the following roll-call vote:

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

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE