

**IA 3**  
**Maximum Special Tax Rates**  
**Fiscal Year 2020/21**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>Maximum Facilities Special Tax Rate</b>	<b>Maximum Services Special Tax Rate</b>	<b>Maximum Services Special Tax Rate: Active Adult Property</b>	<b>Taxed Per</b>
<b>Developed Property:</b>					
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$175	\$100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	175	100	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	125	40	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	1,000	Acre
<b>Small Lot Final Map Property:</b>					
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$175	\$100	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	125	40	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>					
	Not Applicable	\$11,700	\$1,000	\$1,000	Acre
<b>Large Lot Property</b>					
	Not Applicable	\$18,000	\$1,000	\$1,000	Acre
<b>Undeveloped Property</b>					
	Not Applicable	\$18,000	\$1,000	\$1,000	Acre

**IA 4**  
**Maximum Special Tax Rates**  
**Fiscal Year 2020/21**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>Maximum Facilities Special Tax Rate</b>	<b>Maximum Services Special Tax Rate</b>	<b>Taxed Per</b>
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$205	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	205	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	205	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	205	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	205	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	205	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	140	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	140	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	140	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	140	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	140	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	140	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$205	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	140	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>				
	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>				
	Not Applicable	\$20,000	\$1,100	Acre
<b>Undeveloped Property</b>				
	Not Applicable	\$20,000	\$1,100	Acre

**IA 5**  
**Maximum Special Tax Rates**  
**Fiscal Year 2020/21**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>Maximum Facilities Special Tax Rate</b>	<b>Maximum Services Special Tax Rate</b>	<b>Taxed Per</b>
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$165	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	165	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	165	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	165	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	165	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	165	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	85	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	85	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	85	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$165	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	85	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>				
	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>				
	Not Applicable	\$20,000	\$1,000	Acre
<b>Undeveloped Property</b>				
	Not Applicable	\$20,000	\$1,000	Acre

**IA 6**  
**Maximum Special Tax Rates**  
**Fiscal Year 2020/21**

Land Use Category	Residential Floor Area	Maximum Facilities Special Tax Rate	Maximum Services Special Tax Rate	Taxed Per
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$175	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	175	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	175	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	175	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	175	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	175	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	85	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	85	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	85	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	85	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	300	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	300	Acre
Non-Residential Property	Not Applicable	11,700	0	Acre
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$175	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	85	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>				
	Not Applicable	\$11,700	\$300	Acre
<b>Large Lot Property</b>				
	Not Applicable	\$30,000	\$500	Acre
<b>Undeveloped Property</b>				
	Not Applicable	\$30,000	\$500	Acre

## **RATE AND METHOD OF APPORTIONMENT**

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All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities and services for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendices B through G, the Rate and Method of Apportionment for each IA provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

### **Term of Facilities and Services Special Tax**

The District's facilities special tax shall be levied commencing in Fiscal Year 2020/21 and shall be levied to the extent necessary to fully satisfy the annual facilities special tax requirement. For each IA, the facilities special tax shall be levied for a period no longer than the earlier of fiscal year 2079/80 or the fiscal year occurring 50 years following the fiscal year in which the first building permit was issued or the first series of bonds or other debt was issued within the IA.

The District's services special tax shall be levied commencing in Fiscal Year 2020/21 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the services special tax requirement.

### **Manner of Collection**

The annual District special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the City, may directly bill the District special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of taxable property that are delinquent in the payment of special taxes.

# APPENDIX A: BOUNDARY MAP

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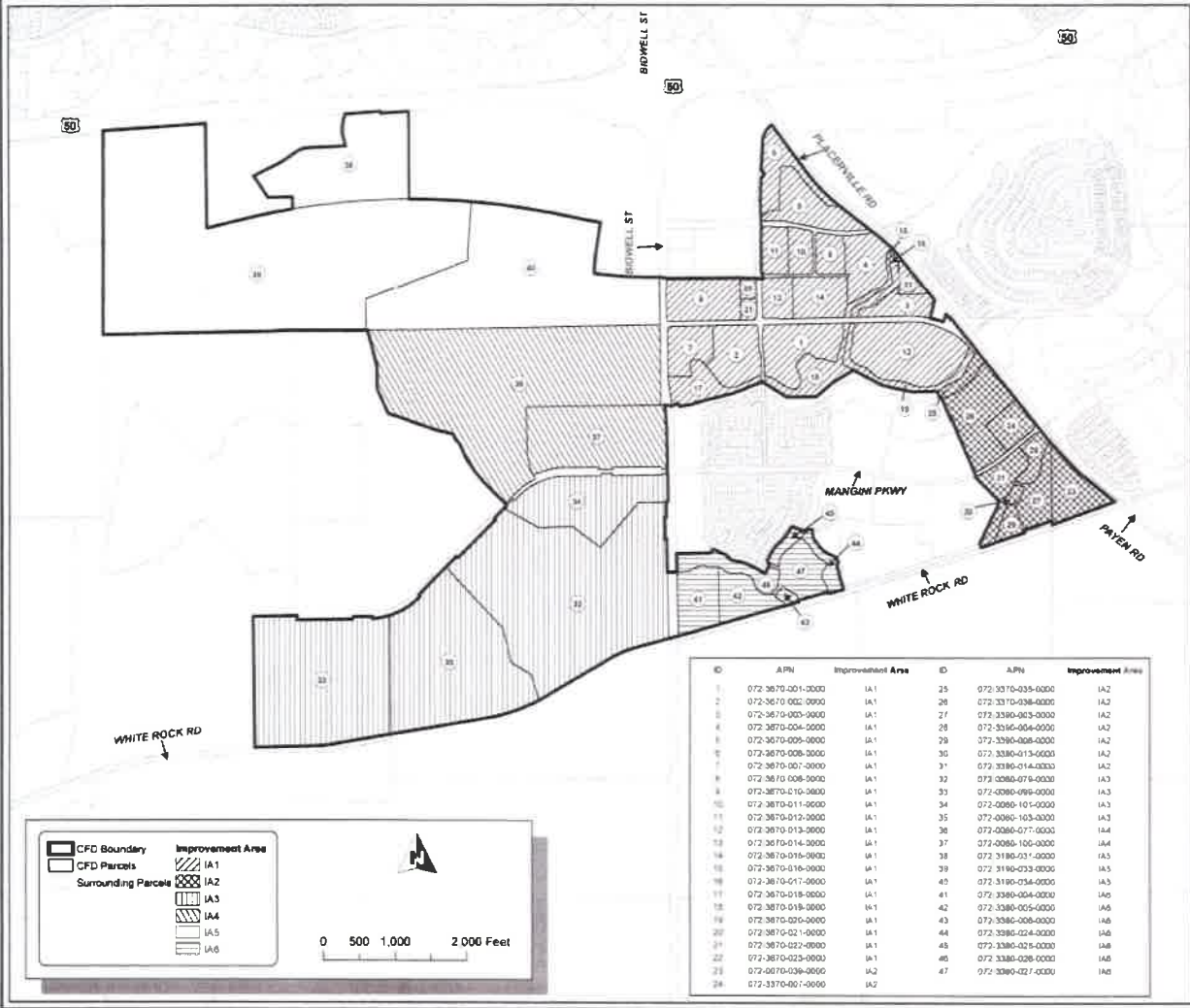
The boundary map for the District, including the boundaries for the Improvement Areas, is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this Report was prepared, and are incorporated by reference herein and made part of this Report.





# MAP OF PROPOSED BOUNDARIES CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

CITY OF FOLSOM  
COUNTY OF SACRAMENTO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS 16<sup>th</sup> DAY OF April 2020

Charamonte  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) CITY OF FOLSOM COUNTY OF SACRAMENTO STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM AT A MEETING THEREOF HELD ON THE 14<sup>th</sup> DAY OF April 2020, BY ITS RESOLUTION NO. 16414

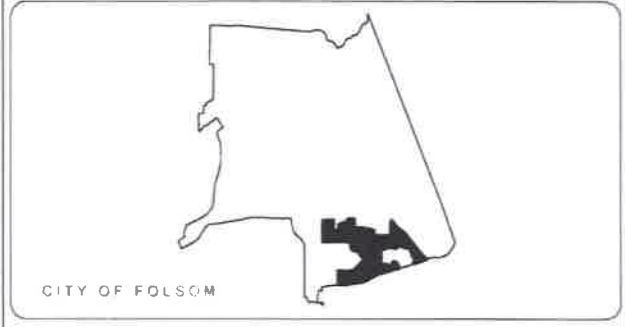
Charamonte  
CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY CALIFORNIA

FILED THIS 20<sup>th</sup> DAY OF April 2020 AT THE HOUR OF 8:58 O'CLOCK A.M. IN BOOK 221 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 22 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO STATE OF CALIFORNIA

Donna Filled  
COUNTY RECORDER  
COUNTY OF SACRAMENTO CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

ID	APN	Improvement Area	ID	APN	Improvement Area
1	072-3870-001-0000	IA1	25	072-3370-035-0000	IA2
2	072-3870-002-0000	IA1	26	072-3370-036-0000	IA2
3	072-3870-003-0000	IA1	27	072-3380-003-0000	IA2
4	072-3870-004-0000	IA1	28	072-3380-004-0000	IA2
5	072-3870-005-0000	IA1	29	072-3380-005-0000	IA2
6	072-3870-006-0000	IA1	30	072-3380-013-0000	IA2
7	072-3870-007-0000	IA1	31	072-3380-014-0000	IA2
8	072-3870-008-0000	IA1	32	072-0080-076-0000	IA3
9	072-3870-010-0000	IA1	33	072-0080-096-0000	IA3
10	072-3870-011-0000	IA1	34	072-0080-101-0000	IA3
11	072-3870-012-0000	IA1	35	072-0080-103-0000	IA3
12	072-3870-013-0000	IA1	36	072-0080-077-0000	IA4
13	072-3870-014-0000	IA1	37	072-0080-100-0000	IA4
14	072-3870-015-0000	IA1	38	072-3180-031-0000	IA5
15	072-3870-016-0000	IA1	39	072-3180-033-0000	IA5
16	072-3870-017-0000	IA1	40	072-3180-034-0000	IA5
17	072-3870-018-0000	IA1	41	072-3380-004-0000	IA6
18	072-3870-019-0000	IA1	42	072-3380-005-0000	IA6
19	072-3870-020-0000	IA1	43	072-3380-008-0000	IA6
20	072-3870-021-0000	IA1	44	072-3380-024-0000	IA6
21	072-3870-022-0000	IA1	45	072-3380-025-0000	IA6
22	072-3870-023-0000	IA1	46	072-3380-026-0000	IA6
23	072-0070-026-0000	IA2	47	072-3380-027-0000	IA6
24	072-3370-001-0000	IA2			



Source: Sacramento County GIS  
Geographic Coordinate Reference: GCS North American 1983  
Projection: NAD 1983 StatePlane California II FIPS 0402 Feet



## **APPENDIX B: RATE AND METHOD OF APPORTIONMENT – IA 1**

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The following pages provide a copy of the Rate and Method of Apportionment for IA 1.



**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area 1**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 1 (CFD No. 23 IA1) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA1 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

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

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

**"Authorized Services"** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA1.

**"Bond Year"** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA1 under the Act.

**"CFD No. 23 IA1 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA1”** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 1.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA1.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA1 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA1, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No.

23 IA1, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA1, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA1 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**"Facilities Special Tax"** means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**"Facilities Special Tax Escalation Factor"** means two percent (2%) annually.

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA1 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA1 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA1.

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

**"Indenture"** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Large Lot Property"** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**"Large Lot Map"** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA1 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

**“MMD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Non-Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**“Open Space Property”** means property within the boundaries of CFD No. 23 IA1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**“Outstanding Bonds”** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**“Pay as You Go Costs”** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA1.

**“Permit Ready Multi-Family/Non-Residential Property”** means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

**“Planned Development”** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA1, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA1.

**“Price Point Study”** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**“Property Owner Association Property”** means any property within the boundaries of CFD No. 23 IA1, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA1.

**“Public Property”** means any property within the boundaries of CFD No. 23 IA1, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is



designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA1 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA1, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA1 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA1 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the

Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA1 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 23 IA1 that are not exempt from the CFD No. 23 IA1 Special Tax pursuant to law or Section F below.



**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA1 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

## **C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA1 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2020-2021 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

### **C.1. Future Assessor’s Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor’s Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor’s Parcels so that the

revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-

Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA1, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA1.

#### **Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property

subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the



Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA1 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

##### **After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

#### **D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA1 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

##### **D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA1 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA1.



Using the definitions and procedures described herein, the CFD No. 23 IA1 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

#### **E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA1 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA1 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

#### **F. EXEMPTIONS**

**F.1.** The CFD No. 23 IA1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

**F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until

the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

#### **G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA1, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA1 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

#### **H. INTERPRETATIONS**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

**I. REVIEW/APPEALS**

The CFD No. 23 IA1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA1 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA1 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA1 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**J. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

**K. PREPAYMENT OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA1 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA1 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of

redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA1 Administrator may charge a fee for providing this service.

#### **K.1. Prepayment in Full**

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA1, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities



Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA1 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA1 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA1 Administrator shall indicate in the records of CFD No. 23 IA1 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage  $(1.00 - F)$  of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**L. TERM OF SPECIAL TAX**

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2020-2021 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2020-2021 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.



**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$210	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	210	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	210	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	210	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	210	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	210	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	156	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	156	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	156	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	156	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	156	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	156	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$210	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	156	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>				
	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>				
	Not Applicable	\$22,500	\$1,400	Acre
<b>Undeveloped Property</b>				
	Not Applicable	\$22,500	\$1,400	Acre

- (1) On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres	2020-2021 Developed Property Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	2020-2021 Minimum Facilities Revenue <sup>(1)(3)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	441	\$2,900	\$1,278,900
Single-Family Detached Property – MLD Zoning <sup>(4)</sup>	257	2,900	745,300
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	9.8	11,700	114,660
Non-Residential Property	0.0	11,700	0
<b>Total Minimum Facilities Revenue</b>			<b>\$2,138,860</b>

- (1) On each July 1, commencing on July 1, 2021, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$ _____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	_____	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	_____	Acre
MHD Multi-Family Attached Property	Not Applicable	_____	Acre
Non-Residential Property	Not Applicable	_____	Acre

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Small Lot Final Map Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$ _____	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	_____	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$ _____	Acre
<b>Large Lot Property</b>	Not Applicable	\$ _____	Acre
<b>Undeveloped Property</b>	Not Applicable	\$ _____	Acre

- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.  
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 1**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres <sup>(1)</sup>	2020-2021 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)(3)</sup>	2020-2021 Effective Tax Rate Evaluation Minimum Facilities Revenue <sup>(1)(2)(4)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	_____	\$ _____	\$ _____
Single-Family Detached Property – MLD Zoning <sup>(5)</sup>	_____	_____	_____
MMD Multi-Family Attached Property	_____	_____	_____
MHD Multi-Family Attached Property	_____	_____	_____
Non-Residential Property	_____	_____	_____
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b>\$ _____</b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

## APPENDIX C: RATE AND METHOD OF APPORTIONMENT – IA 2

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The following pages provide a copy of the Rate and Method of Apportionment for IA 2.



**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area 2**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 2 (CFD No. 23 IA2) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA2 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acre or Acreage"** means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

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

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

**"Authorized Services"** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA2.

**"Bond Year"** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA2 under the Act.

**"CFD No. 23 IA2 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA2”** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 2.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA2.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA2 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA2, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No.

23 IA2, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA2, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA2 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**"Facilities Special Tax"** means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**"Facilities Special Tax Escalation Factor"** means two percent (2%) annually.

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA2 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA2 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA2.

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

**"Indenture"** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Large Lot Property"** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**"Large Lot Map"** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA2 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

**“MMD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Non-Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**“Open Space Property”** means property within the boundaries of CFD No. 23 IA2 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**“Outstanding Bonds”** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**“Pay as You Go Costs”** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA2.

**“Permit Ready Multi-Family/Non-Residential Property”** means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

**“Planned Development”** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA2, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA2.

**“Price Point Study”** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**“Property Owner Association Property”** means any property within the boundaries of CFD No. 23 IA2, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA2.

**“Public Property”** means any property within the boundaries of CFD No. 23 IA2, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is



designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA2 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA2, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA2 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA2 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the



Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA2 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 23 IA2 that are not exempt from the CFD No. 23 IA2 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA2 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

## **C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA2 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2020-2021 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

### **C.1. Future Assessor’s Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor’s Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor’s Parcels so that the

revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-

Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA2, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA2.

#### **Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

#### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property



subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the



Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA2 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

##### **After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

#### **D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA2 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

##### **D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA2 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA2.

Using the definitions and procedures described herein, the CFD No. 23 IA2 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

#### **E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA2 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA2 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

#### **F. EXEMPTIONS**

**F.1.** The CFD No. 23 IA2 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

**F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until

the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

#### **G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA2, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA2 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

#### **H. INTERPRETATIONS**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

**I. REVIEW/APPEALS**

The CFD No. 23 IA2 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA2 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA2 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA2 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA2 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA2 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA2 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**J. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA2, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

**K. PREPAYMENT OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA2 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA2 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of



redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA2 Administrator may charge a fee for providing this service.

#### **K.1. Prepayment in Full**

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA2, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").



Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities

Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA2 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA2 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA2 Administrator shall indicate in the records of CFD No. 23 IA2 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage  $(1.00 - F)$  of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**L. TERM OF SPECIAL TAX**

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2020-2021 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2020-2021 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per
<b>Developed Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$200	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	200	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	200	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	200	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	200	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	200	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	103	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	103	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	103	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	103	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	103	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	103	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	Acre

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	Taxed Per
<b>Small Lot Final Map Property:</b>				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$200	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	103	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>				
	Not Applicable	\$11,700	\$1,000	Acre
<b>Large Lot Property</b>				
	Not Applicable	\$29,000	\$1,000	Acre
<b>Undeveloped Property</b>				
	Not Applicable	\$29,000	\$1,000	Acre

- (1) On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres	2020-2021 Developed Property Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	2020-2021 Minimum Facilities Revenue <sup>(1)(3)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	0	\$2,900	\$0
Single-Family Detached Property – MLD Zoning <sup>(4)</sup>	340	2,900	986,000
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	5.1	11,700	59,670
<b>Total Minimum Facilities Revenue</b>			<b>\$1,045,670</b>

- (1) On each July 1, commencing on July 1, 2021, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.



**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$ _____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	_____	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	_____	Acre
MHD Multi-Family Attached Property	Not Applicable	_____	Acre
Non-Residential Property	Not Applicable	_____	Acre

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Small Lot Final Map Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$ _____	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	_____	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$ _____	Acre
<b>Large Lot Property</b>	Not Applicable	\$ _____	Acre
<b>Undeveloped Property</b>	Not Applicable	\$ _____	Acre

- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 2**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres <sup>(1)</sup>	2020-2021 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)(3)</sup>	2020-2021 Effective Tax Rate Evaluation Minimum Facilities Revenue <sup>(1)(2)(4)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	_____	\$ _____	\$ _____
Single-Family Detached Property – MLD Zoning <sup>(5)</sup>	_____	_____	_____
MMD Multi-Family Attached Property	_____	_____	_____
MHD Multi-Family Attached Property	_____	_____	_____
Non-Residential Property	_____	_____	_____
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b>\$ _____</b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

# APPENDIX D: RATE AND METHOD OF APPORTIONMENT – IA 3

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The following pages provide a copy of the Rate and Method of Apportionment for IA 3.

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 3 (CFD No. 23 IA3) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA3 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**“Acre or Acreage”** means the land area of an Assessor’s Parcel as shown on County records, such as an Assessor’s Parcel Map and secured roll data, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor’s Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**“Active-Adult Property”** means an Assessor’s Parcel of Residential Property which has a restriction recorded against title of the Assessor’s Parcel that limits occupancy of the Residential Unit on the Assessor’s Parcel to residents above a certain age. The Maximum Services Special Tax Rate for Active-Adult Property shall be assigned in accordance with Attachment A of this Rate and Method of Apportionment. There are no Maximum Facilities Special Tax Rate or Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate adjustments for Assessor’s Parcels classified as Active-Adult Property.

**“Assessor’s Parcel” or “Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor of the County designating lots or parcels by an Assessor’s Parcel number.

**“Authorized Services”** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA3.

**“Bond Year”** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**"Bonds"** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA3 under the Act.

**"CFD No. 23 IA3 Administrator"** means the City's Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"CFD No. 23 IA3"** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 3.

**"City"** means the City of Folsom.

**"City Council"** means the City Council of the City, acting as the legislative body of CFD No. 23 IA3.

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

**"Developed Property"** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**"Effective Tax Rate Evaluation"** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**"Effective Tax Rate Evaluation Maximum Facilities Special Tax"** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate"** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Effective Tax Rate Evaluation Minimum Facilities Revenue"** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA3 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**"Exempt Property"** means all Assessors' Parcels that are exempt from the Special Tax pursuant to Section F. Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.



**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes, including, but not limited to, attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**“Facilities Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**“Facilities Special Tax Escalation Factor”** means two percent (2%) annually.

**“Facilities Special Tax Requirement”** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA3 Administrator pursuant to the Indenture.

**“Facilities Special Tax Term”** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA3.

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

**“Indenture”** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Large Lot Property”** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as

Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**“Large Lot Map”** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall

be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor's Parcel shall be classified as Non-Residential Property.

**"MMD Multi-Family Attached Property"** means all Assessor's Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor's Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**"Non-Residential Property"** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**"Open Space Property"** means property within the boundaries of CFD No. 23 IA3 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**"Outstanding Bonds"** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**"Pay as You Go Costs"** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA3.

**"Permit Ready Multi-Family/Non-Residential Property"** means an Assessor's Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor's Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor's Parcel as Permit Ready Multi-Family/Non-Residential Property.

**"Planned Development"** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA3.

**"Price Point Study"** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**"Property Owner Association Property"** means any property within the boundaries of CFD No. 23 IA3, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA3.

**“Public Property”** means any property within the boundaries of CFD No. 23 IA3, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA3 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA3 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to

exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA3 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA3 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan



pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 23 IA3 that are not exempt from the CFD No. 23 IA3 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA3 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

**C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2020-2021 is set forth in Attachment B of this Rate and Method of Apportionment.



On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

**C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

**Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map

Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

## **C.2. Effective Tax Rate Evaluation**

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA3, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA3.

### **Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

#### **Effective Tax Rate Evaluation Minimum Facilities Revenue**

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

#### **C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation**

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

#### **Undeveloped Property Subdividing into Large Lot Property**

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-

Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

**Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate

Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

#### **C.4. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

##### **Prior to an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed; the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The



Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**After an Effective Tax Rate Evaluation**

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

**D. SERVICES SPECIAL TAX**

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

**D.1. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.



## **D.2. Method of Apportionment of Services Special Tax**

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA3.

Using the definitions and procedures described herein, the CFD No. 23 IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

## **E. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 23 IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

## **F. EXEMPTIONS**

- F.1.** The CFD No. 23 IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.
- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

## **G. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 23 IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD

No. 23 IA3 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

#### **H. INTERPRETATIONS**

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

#### **I. REVIEW/APPEALS**

The CFD No. 23 IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA3 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA3 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

#### **J. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually

foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

**K. PREPAYMENT OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA3 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA3 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

**K.1. Prepayment in Full**

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.



The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

#### **K.2. Prepayment in Part**

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

**PP** = the Partial Prepayment Amount

**PE** = the Prepayment Amount calculated according to Section K.1 above

**A** = the Administrative Fees and Expenses calculated according to Section K.1 above

**F** = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA3 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA3 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA3 Administrator shall indicate in the records of CFD No. 23 IA3 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage  $(1.00 - F)$  of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.



Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

**L. TERM OF SPECIAL TAX**

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2020-2021 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2020-2021 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	2020-2021 Maximum Services Special Tax Rate: Active-Adult Property <sup>(2)(3)</sup>	Taxed Per
<b>Developed Property:</b>					
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$3,886	\$175	\$100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	3,571	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	3,559	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	3,293	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	3,000	175	100	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	2,900	175	100	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	3,886	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	3,571	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	3,559	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	3,293	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	3,000	125	40	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	2,900	125	40	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,000	500	500	Acre
MHD Multi-Family Attached Property	Not Applicable	11,700	1,000	1,000	Acre
Non-Residential Property	Not Applicable	11,700	1,000	1,000	Acre

**ATTACHMENT A**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Maximum Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Maximum Facilities Special Tax Rate <sup>(1)</sup>	2020-2021 Maximum Services Special Tax Rate <sup>(2)</sup>	2020-2021 Maximum Services Special Tax Rate: Active-Adult Property <sup>(2)3)</sup>	Taxed Per
<b>Small Lot Final Map Property:</b>					
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$2,900	\$175	\$100	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	2,900	125	40	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$11,700	\$1,000	\$1,000	Acre
<b>Large Lot Property</b>	Not Applicable	\$18,000	\$1,000	\$1,000	Acre
<b>Undeveloped Property</b>	Not Applicable	\$18,000	\$1,000	\$1,000	Acre

- (1) On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.
- (3) Taxable Property designated as Active-Adult Property shall be assigned a separate Maximum Services Special Tax Rate.

**ATTACHMENT B**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres	2020-2021 Developed Property Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	2020-2021 Minimum Facilities Revenue <sup>(1)(3)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(4)</sup>	1,068	\$2,900	\$3,097,200
Single-Family Detached Property – MLD Zoning <sup>(4)</sup>	157	2,900	455,300
MMD Multi-Family Attached Property	0.0	30,000	0
MHD Multi-Family Attached Property	0.0	11,700	0
Non-Residential Property	0.0	11,700	0
<b>Total Minimum Facilities Revenue</b>			<b>\$3,552,500</b>

- (1) On each July 1, commencing on July 1, 2021, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

Land Use Category	Residential Floor Area	2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)</sup>	Taxed Per
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$ _____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	_____	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	_____	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	_____	Acre
MHD Multi-Family Attached Property	Not Applicable	_____	Acre
Non-Residential Property	Not Applicable	_____	Acre

**ATTACHMENT C**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates**  
**(Fiscal Year 2020-2021)**

<b>Land Use Category</b>	<b>Residential Floor Area</b>	<b>2020-2021 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate<sup>(1)(2)</sup></b>	<b>Taxed Per</b>
<b>Small Lot Final Map Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$ _____	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	_____	Residential Lot
<b>Permit Ready Multi-Family/Non-Residential Property</b>	Not Applicable	\$ _____	Acre
<b>Large Lot Property</b>	Not Applicable	\$ _____	Acre
<b>Undeveloped Property</b>	Not Applicable	\$ _____	Acre

- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.



**ATTACHMENT D**  
**City of Folsom**  
**Community Facilities District No. 23 (Folsom Ranch)**  
**Improvement Area 3**  
**Effective Tax Rate Evaluation Minimum Facilities Revenue**  
**(Fiscal Year 2020-2021)**

Land Use Category	Planned Number of Residential Units / Acres <sup>(1)</sup>	2020-2021 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate <sup>(1)(2)(3)</sup>	2020-2021 Effective Tax Rate Evaluation Minimum Facilities Revenue <sup>(1)(2)(4)</sup>
<b>Developed Property:</b>			
Single-Family Detached Property – SF/SFHD Zoning <sup>(5)</sup>	_____	\$ _____	\$ _____
Single-Family Detached Property – MLD Zoning <sup>(5)</sup>	_____	_____	_____
MMD Multi-Family Attached Property	_____	_____	_____
MHD Multi-Family Attached Property	_____	_____	_____
Non-Residential Property	_____	_____	_____
<b>Total Effective Tax Rate Evaluation Minimum Facilities Revenue</b>			<b>\$ _____</b>

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

## **APPENDIX E: RATE AND METHOD OF APPORTIONMENT – IA 4**

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The following pages provide a copy of the Rate and Method of Apportionment for IA 4.

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 23  
(FOLSOM RANCH)  
Improvement Area 4**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 4 (CFD No. 23 IA4) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA4 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA4, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. GENERAL DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**“Acre or Acreage”** means the land area of an Assessor’s Parcel as shown on County records, such as an Assessor’s Parcel Map and secured roll data, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor’s Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**“Assessor’s Parcel” or “Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor of the County designating lots or parcels by an Assessor’s Parcel number.

**“Authorized Services”** means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA4.

**“Bond Year”** means a one year period beginning on September 2<sup>nd</sup> in each year and ending on September 1<sup>st</sup> in the following year, unless defined differently in the applicable Indenture.

**“Bonds”** means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA4 under the Act.

**“CFD No. 23 IA4 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“CFD No. 23 IA4”** means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area 4.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 23 IA4.

**“County”** means the County of Sacramento.

**“Developed Property”** means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

**“Effective Tax Rate Evaluation”** means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Effective Tax Rate Evaluation Minimum Facilities Revenue”** means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA4 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

**“Facilities Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA4, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No.

23 IA4, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA4, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA4 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

**"Facilities Special Tax"** means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

**"Facilities Special Tax Escalation Factor"** means two percent (2%) annually.

**"Facilities Special Tax Requirement"** means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA4 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA4 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA4.

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

**"Indenture"** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Large Lot Property"** means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

**"Large Lot Map"** means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

**“Maximum Facilities Special Tax”** means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Facilities Special Tax Rate”** means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax Rate”** means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax”** means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Total Effective Tax Rate”** means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 23 IA4 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment.

**“MHD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

**“Mixed Use Residential Parcel”** means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

**“MMD Multi-Family Attached Property”** means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.



**“Non-Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

**“Open Space Property”** means property within the boundaries of CFD No. 23 IA4 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

**“Outstanding Bonds”** means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

**“Pay as You Go Costs”** means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA4.

**“Permit Ready Multi-Family/Non-Residential Property”** means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

**“Planned Development”** means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA4, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA4.

**“Price Point Study”** means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

**“Property Owner Association Property”** means any property within the boundaries of CFD No. 23 IA4, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA4.

**“Public Property”** means any property within the boundaries of CFD No. 23 IA4, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is

designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA4 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

**“Residential Lot”** means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

**“Residential Property”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**“Residential Unit”** means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

**“Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA4, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA4 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

**“Services Special Tax Escalation Factor”** means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA4 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor’s Parcel of Taxable Property is insufficient to pay the

Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA4 Administrator.

**“Single-Family Detached Property – MLD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Single-Family Detached Property – SF/SFHD Zoning”** means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

**“Special Tax”** means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

**“Small Lot Final Map Property”** means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

**“Small Lot Final Map Remainder Property”** means an Assessor’s Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

**“Small Lot Final Subdivision Map”** means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 23 IA4 that are not exempt from the CFD No. 23 IA4 Special Tax pursuant to law or Section F below.

**“Total Effective Tax Rate”** means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

**“Total Estimated Tax Burden”** means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Trustee”** means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

#### **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA4 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

#### **C. FACILITIES SPECIAL TAX**

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA4 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2020-2021 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2021, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

##### **C.1. Future Assessor’s Parcel Changes – Prior to an Effective Tax Rate Evaluation**

The Maximum Facilities Special Tax shall be assigned to all future Assessor’s Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor’s Parcels so that the