



## Folsom City Council Staff Report

|                        |                                                                       |
|------------------------|-----------------------------------------------------------------------|
| <b>MEETING DATE:</b>   | 8/11/2026                                                             |
| <b>AGENDA SECTION:</b> | New Business                                                          |
| <b>SUBJECT:</b>        | City of Folsom Community Facilities District No. 22A (Folsom Heights) |
| <b>FROM:</b>           | Finance Department                                                    |

### **RECOMMENDATION / CITY COUNCIL ACTION**

It is recommended that the City Council adopt the following resolutions:

Resolution No. 11679- A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named “City of Folsom Community Facilities District No. 22A (Folsom Heights),” Designate Separate Improvement Areas Therein and Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes therein

Resolution No. 11680 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights) and in and for two Improvement Areas Designated therein and Calling for a Public Hearing thereon

### **BACKGROUND / ISSUE**

The Folsom Plan Area Specific Plan Public Facilities Financing Plan (“PFFP”), approved by the City Council on January 28, 2014 via Resolution 9298, is an \$877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area (“FPA”). In 2018, at the request of the landowners, City of Folsom Community Facilities District No. 22 (Folsom Heights) (“CFD No. 22”) was formed and special tax

revenues generated from CFD No. 22 would have helped fund all or a portion of the project's share of PFFP backbone infrastructure and facilities. Now, at the request of the landowners, CFD No. 22 will be terminated in connection with this formation and replaced by CFD 22A.

Landowners within the FPA requested to form the proposed City of Folsom Community Facilities District No. 22A (Folsom Heights) ("CFD No. 22A"), including three separate Improvement Areas ("IA"), designated as Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3. A boundary map showing the proposed CFD 22A and the three separate improvement areas is below and included as Attachment 3.



Special tax revenues generated from each IA within CFD No. 22A will help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities. A detailed list of authorized facilities can be found under Exhibit A of Resolution No.11679. A summary of the facilities authorized to be funded by CFD No. 22A include, but are not limited to:

- Transportation Improvements including all public roadway improvement designed to meet the needs of development within CFD No. 22A, including internal subdivision streets and related underground utilities.

- Water System Improvements
- Recycled Water System Improvements
- Drainage System Improvements
- Wastewater System Improvements
- Park, Parkway and Open Space Improvements
- Specific Plan Infrastructure Fee Infrastructure
- Other Incidental Expenses and Bond Issuance Costs

In addition, the following project-specific services are anticipated to be funded by CFD No. 22A special taxes:

- Open space maintenance
- Landscape corridors and paseos
- Street light maintenance
- Medians, entries and entry monumentation
- Neighborhood park maintenance, repair and replacement
- Community amenities
- Storm water management
- Other miscellaneous costs related to any of the items described above
- Anticipated future repairs or replacements costs.
- Public Services for Police, Fire and other emergency services

The proposed CFD No. 22A is located within the FPA and is generally bounded by U.S. Highway 50 on the north, the El Dorado County line on the east, and White Rock Road on the south. Each IA within CFD No. 22A includes several Assessor's Parcel Numbers, which are identified in the proposed boundary map for CFD No. 22A, included as Attachment 3. The proposed development plan for each IA within CFD No. 22A includes the following:

| <b>Improvement Area</b> | <b>SF/SFHD Units</b> | <b>MLD Units</b> | <b>Non-Residential Lots</b> | <b>Total Residential Units</b> | <b>Total Lots</b> |
|-------------------------|----------------------|------------------|-----------------------------|--------------------------------|-------------------|
| IA 1                    | 209                  | 53               | 0                           | 262                            | 262               |
| IA 2                    | 196                  | 72               | 0                           | 268                            | 268               |
| IA 3                    | 0                    | 0                | 3                           | 0                              | 3                 |
| <b>Total</b>            | <b>405</b>           | <b>125</b>       | <b>3</b>                    | <b>530</b>                     | <b>533</b>        |

The CFD No. 22A funding stream will be a combination of bonded indebtedness and pay-as-you-go ("PAYGO") funding, both secured by the levy of special taxes upon property within the boundaries of CFD No. 22A.

The resolutions attached begin the proceedings to provide for the creation of CFD No. 22A. Resolution No. 11679 will approve the boundary map (Attachment 3), declare the intention to form CFD No. 22A, designate improvement areas therein, identify the territory proposed for annexation to CFD No. 22A and authorize the City to levy special taxes within the district.

Resolution No. 11680 declares the necessity to incur bonded indebtedness within IA No. 1 and IA No. 2 of CFD No. 22A. It is not currently anticipated that bonded indebtedness will be issued for IA No. 3.

If these resolutions are approved, a Public Hearing will be scheduled, along with an election of owners of property within CFD No. 22A, for September 22, 2026.

### **POLICY / RULE**

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of CFDs to finance the construction, acquisition, and servicing of FPA backbone infrastructure and public facilities

Section 2.5.3 of the First Amended and Restated Tier 1 Development Agreement authorizes the formation of infrastructure CFDs

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts

Mello-Roos Community Facilities Act of 1982

### **ANALYSIS**

CFD No. 22A will be structured as an extended-term CFD and will provide the necessary funding to help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities, including related environmental mitigation obligations. The PFFP backbone infrastructure and facilities will be financed using both bond proceeds and PAYGO special tax revenues. The extended-term CFD structure is proposed to help to meet the challenge of high-cost infrastructure and facilities while also aligning the timing of future funding availability with the need for such funding.

The PFFP backbone facilities to be funded via CFD No. 22A, and listed above, were originally anticipated to be funded by either Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services) or funded as part of project specific CFDs established for each development within the FPA.

The special tax revenue generated from taxable parcels within each IA of CFD No. 22A will be comprised of a special tax to fund facilities and a special tax to fund services. The 2026/27 maximum facilities special tax rates, set forth in each IA's Rate and Method of Apportionment (RMA), for each land use category are provided in the table below:

| <b>Land Use Category</b>                           | <b>Lot Size</b> | <b>Improvement Area</b> | <b>2026/27 Maximum Facilities Special Tax Rate</b> | <b>Per</b> |
|----------------------------------------------------|-----------------|-------------------------|----------------------------------------------------|------------|
| Single-Family Detached Property – SF Zoning        | Any             | 1                       | \$3,500                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 1                       | \$2,800                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 1                       | \$2,600                                            | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 1                       | \$2,000                                            | Lot        |
| Other Taxable Property                             | Any             | 1                       | \$15,000                                           | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 1                       | \$15,000                                           | Acre       |
| Large Lot Property                                 | Any             | 1                       | \$15,000                                           | Acre       |
| Undeveloped Property                               | Any             | 1                       | \$15,000                                           | Acre       |
| Single-Family Detached Property – SF Zoning        | Any             | 2                       | \$3,770                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 2                       | \$3,067                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 2                       | \$2,959                                            | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 2                       | \$2,357                                            | Lot        |
| Other Taxable Property                             | Any             | 2                       | \$15,000                                           | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 2                       | \$15,000                                           | Acre       |
| Large Lot Property                                 | Any             | 2                       | \$15,000                                           | Acre       |
| Undeveloped Property                               | Any             | 2                       | \$15,000                                           | Acre       |
| Single-Family Detached Property – SF Zoning        | Any             | 3                       | \$0                                                | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 3                       | \$0                                                | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 3                       | \$0                                                | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 3                       | \$0                                                | Lot        |
| Other Taxable Property                             | Any             | 3                       | \$0                                                | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 3                       | \$0                                                | Acre       |
| Large Lot Property                                 | Any             | 3                       | \$0                                                | Acre       |
| Undeveloped Property                               | Any             | 3                       | \$0                                                | Acre       |

The CFD No. 22A facilities special tax can be levied and collected through Fiscal Year 2086/87. Each fiscal year, commencing with 2027/28, the maximum facilities special tax rate will be increased by 2% annually.

The 2026/27 maximum services special tax rates, set forth in each IA's RMA for each land use category are provided in the table below:

| <b>Land Use Category</b>                           | <b>Lot Size</b> | <b>Improvement Area</b> | <b>2026/27 Maximum Services Special Tax Rate</b> | <b>Per</b> |
|----------------------------------------------------|-----------------|-------------------------|--------------------------------------------------|------------|
| Single-Family Detached Property – SF Zoning        | Any             | 1                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 1                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 1                       | \$137                                            | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 1                       | \$117                                            | Lot        |
| Other Taxable Property                             | Any             | 1                       | \$645                                            | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 1                       | \$645                                            | Acre       |
| Large Lot Property                                 | Any             | 1                       | \$645                                            | Acre       |
| Undeveloped Property                               | Any             | 1                       | \$645                                            | Acre       |
| Single-Family Detached Property – SF Zoning        | Any             | 2                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 2                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 2                       | \$137                                            | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 2                       | \$117                                            | Lot        |
| Other Taxable Property                             | Any             | 2                       | \$659                                            | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 2                       | \$659                                            | Acre       |
| Large Lot Property                                 | Any             | 2                       | \$659                                            | Acre       |
| Undeveloped Property                               | Any             | 2                       | \$659                                            | Acre       |
| Single-Family Detached Property – SF Zoning        | Any             | 3                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | > = 5,775 Sq Ft | 3                       | \$137                                            | Lot        |
| Single-Family Detached Property – SFHD Zoning      | < 5,775 Sq Ft   | 3                       | \$137                                            | Lot        |
| Single-Family Detached Property – MLD Zoning       | Any             | 3                       | \$117                                            | Lot        |
| Other Taxable Property                             | Any             | 3                       | \$474                                            | Acre       |
| Permit Ready Multi-Family/Non-Residential Property | Any             | 3                       | \$474                                            | Acre       |
| Large Lot Property                                 | Any             | 3                       | \$474                                            | Acre       |
| Undeveloped Property                               | Any             | 3                       | \$474                                            | Acre       |

The CFD No. 22A services special tax can be levied and collected until the bonds mature, or the “Transition Event”, per the RMA. Each fiscal year, commencing with 2027/28, the maximum services special tax rate will be increased by the maximum of two percent (2%) or 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%).

After the Transition Event, both the facilities special tax and services special tax levies will cease, and a transition services special tax will replace the prior funding. The transition services special tax will be an amount equal to 50% of the maximum facilities special tax rate the year

prior to the Transition Event plus the maximum services special tax rate the year prior to the Transition Event. Each fiscal year, commencing with the transition year, the maximum transition services special tax rate will be increased by the maximum of two percent (2%) or 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%).

As described above, CFD No. 22A will include an extended-term in order to provide the financing to fund CFD No. 22A authorized facilities through multiple CFD bond issues and the generation of PAYGO special tax revenue from the levy and collection of the special tax. The primary pledge of CFD No. 22A special tax revenues will be to service outstanding CFD No. 22A debt. Special tax revenues in excess of the annual debt service and administrative expenses will be used on a PAYGO basis. 100% of the PAYGO revenue beginning with CFD No. 22A formation through the 20th fiscal year is intended to be available to the landowners to fund eligible facilities. After that, any PAYGO revenues may be used at the City's discretion to continue to fund or acquire eligible facilities, or the City may elect to reduce the special tax levy amount to eliminate PAYGO revenues.

Approving the resolutions attached also approves the boundary map for CFD No. 22A. Upon passage of these resolutions, a Public Hearing concerning the formation of CFD No. 22A will be scheduled, along with an election of owners of property within each IA of CFD No. 22A, for September 22, 2026.

### **FINANCIAL IMPACT**

The services special tax for CFD No. 22A was structured to include police, fire, and other emergency services as project-specific services.

The CFD No. 22A formation, bonded indebtedness, and expenses are solely the responsibility of CFD No. 22A. The General Fund is not impacted by the CFD No. 22A Rate and Method of Apportionment.

### **ENVIRONMENTAL REVIEW**

An Initial Study and Mitigated Negative Declaration prepared for the Folsom Plan Area Backbone Infrastructure Project were previously prepared for, and adopted by the City Council on February 24, 2015, in accordance with the requirements of the California Environmental Quality Act. Pursuant to CEQA Guidelines section 15378(c), the term "project" does not mean each separate governmental approval for an approved activity which may be subject to several discretionary approvals by governmental agencies. Additionally, the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment is not defined as a "project" under CEQA. CEQA Guidelines Section 15378(b)(4) and 15061(b)(3).

## **ATTACHMENTS**

1. Resolution No. 11679- A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named “City of Folsom Community Facilities District No. 22A (Folsom Heights),” Designate Separate Improvement Areas Therein and Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes therein
2. Resolution No. 11680 - A Resolution of the City Council of the City of Folsom Declaring the Necessity for Incurring Bonded Indebtedness in and for the City of Folsom Community Facilities District No. 22A (Folsom Heights) and in and for Two Improvement Areas Designated therein and Territory Proposed for Annexation to the Community Facilities District in the Future and Calling for a Public Hearing thereon.
3. Boundary Map of Proposed CFD No. 22A

Submitted,

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Stacey Tamagni  
Finance Director/CFO

## Attachment 1

## **RESOLUTION NO. 11679**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM APPROVING A PROPOSED BOUNDARY MAP AND DECLARING INTENTION TO FORM A COMMUNITY FACILITIES DISTRICT TO BE NAMED “CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS),” DESIGNATE SEPARATE IMPROVEMENT AREAS THEREIN AND IDENTIFY TERRITORY PROPOSED FOR ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT IN THE FUTURE AND TO LEVY SPECIAL TAXES THEREIN**

**WHEREAS**, in accordance with the provisions of Section 53312.7 and 53345.8 of the California Government Code, the City Council (the “City Council”) of the City of Folsom (the “City”) previously adopted the Local Goals and Policies (the “City Goals and Policies”) concerning the use of the Mello-Roos Community Facilities Act of 1982 (the “Act”); and

**WHEREAS**, it is proposed to form a community facilities district within the area of the City known as “Folsom Heights” under the Act; and

**WHEREAS**, the name of the proposed community facilities district shall be “City of Folsom Community Facilities District No. 22A (Folsom Heights)” (“CFD 22A” or the “CFD”); and

**WHEREAS**, pursuant to Section 53350 of the Act, it is proposed to designate two improvement areas within CFD 22A (each, an “Improvement Area”); and

**WHEREAS**, the names of the Improvement Areas shall be “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1” (“Improvement Area No. 1”), “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2” (“Improvement Area No. 2”) and “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 3” (“Improvement Area No. 3”); and

**WHEREAS**, the proposed boundaries of CFD 22A, and each portion of CFD 22A designated as an Improvement Area, are shown on the boundary map entitled “Map of Boundaries City of Folsom Community Facilities District No. 22A (Folsom Heights),” on file with the City Clerk (the “Boundary Map”); and

**WHEREAS**, the types of public facilities (the “Facilities”) and services (the “Services”) proposed to be financed by CFD 22A are set forth in Exhibits A and B, respectively, attached hereto, and the City finds that the Facilities and Services are necessary to meet increased demands placed upon the City as the result of new development occurring and anticipated within CFD 22A; and

**WHEREAS**, the types of incidental expenses proposed to be incurred are set forth in Exhibit C attached to this resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom, as follows:

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council hereby finds and determines that CFD 22A, and each Improvement Area, is in compliance with the City Goals and Policies, and to the extent of any non-compliance with the City Goals and Policies, such compliance is hereby waived by the City.

Section 3. It is the intention of the City Council to establish and the City Council hereby proposes to establish a community facilities district under and pursuant to the terms and provisions of the Act to be known and designated as the “City of Folsom Community Facilities District No. 22A (Folsom Heights)” and to identify territory proposed for annexation to CFD 22A in the future with the unanimous approval of the owner or owners of each such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A (the “Future Annexation Area”). The boundaries of the territory proposed for inclusion in CFD 22A, Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3 therein, and the proposed Future Annexation Area, are more particularly described and shown on the Boundary Map now on file in the office of the City Clerk. The City Council hereby approves the Boundary Map and adopts the boundaries shown on the Boundary Map as describing the extent of the territory included in CFD 22A, each Improvement Area therein, and the Future Annexation Area. The City finds that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the City Clerk to certify the adoption of this resolution on the face of the Boundary Map, and to file a copy of the Boundary Map with the County Recorder for placement in the Book of Maps of Assessment and Community Facilities Districts no later than fifteen (15) days after the adoption of this resolution.

Section 4. It is the intention of the City Council to finance the Facilities and fund the Services described in Exhibits A and B, respectively, attached hereto and made a part hereof. All of the Facilities to be financed will have an estimated useful life of at least five (5) years. They are public facilities that the City or another governmental entity is authorized by law to construct, own or operate or to which they may contribute revenue. Pursuant to Government Code § 53313.5(m), the City Council finds and determines that to the extent that mass grading of hillside residential lots requires an integrated grading program that simultaneously establishes slope stability, erosion control, and stormwater conveyance serving the broader community, and these elements cannot feasibly be separated from the grading of individual lots without compromising the geotechnical integrity of the hillside and the protection of adjacent public infrastructure, such mass grading serves a public purpose and therefore constitutes an eligible public Facility. The Facilities to be financed need not be physically located within CFD 22A.

Section 5. Except where funds are otherwise available, special taxes sufficient to pay for all Facilities and Services will be annually levied within each Improvement Area. It is the intention of the City Council that a parcel or parcels within the Future Annexation Area may be annexed to CFD 22A and subjected to the special taxes only with the unanimous approval of the owner or owners of such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the

California Streets and Highways Code, a continuing lien to secure the related levy of the special tax shall attach to all nonexempt real property within CFD 22A, and the lien shall continue in force and effect until the special tax obligation (or any portion thereof) is paid or prepaid and permanently satisfied and the related special tax lien is cancelled in accordance with law or until collection of the related special tax by the City ceases. The rate and method of apportionment of the special tax to be levied in each Improvement Area are set forth in Exhibit D-1, D-2, and D-3, respectively, attached to this resolution. The rate of special taxes, including the maximum special taxes, for a parcel or parcels in the Future Annexation Area annexed to CFD 22A with the unanimous approval of the owner or owners of such parcel or parcels, shall be levied as set forth in Exhibit D-1, D-2 and D-3 in accordance with the Improvement Area to which such area is annexed. The special tax with respect to the Facilities on any parcel within each Improvement Area shall not be levied after the earlier of (i) Fiscal Year 2086-87 or (ii) the Fiscal Year occurring 50 years following (a) the Fiscal Year in which the first building permit was issued, or (b) the first series of bonds was issued within the respective Improvement Area. The special tax with respect to the Services shall be levied perpetually until the collection of the special tax by the City ceases. In the case of any special tax to pay for the Facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within any Improvement Area by more than 10 percent of the special tax for Facilities that would be levied in that Fiscal Year but for such delinquencies or defaults.

Section 6. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within each Improvement Area, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

To the extent the Facilities will not be constructed by the City, in the opinion of the City Council, the public interest will not be served by allowing the property owners in CFD 22A to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 7. The City intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within CFD 22A to be accepted under Government Code sections 53344.1 and 53356.8 in full or partial payment of any installment of the special taxes or the interest or penalties thereon.

Section 8. The City Council hereby sets Tuesday, September 22, 2026, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for the public hearing on the formation of CFD 22A. At the hearing, oral and written testimony concerning the formation of CFD 22A, the extent of CFD 22A and the identification of the Future Annexation Area, the designation of the Improvement Areas and the furnishing of the Facilities and Services will be heard and protests will be considered from registered voters residing within CFD 22A and persons owning real property within CFD 22A or the Future Annexation Area. Written protests against the formation of CFD 22A or designation of an Improvement Area by a majority of the registered voters (if at least six such voters protest) or by the owners of a majority of the land which would be subject to special taxation within the related Improvement Area will require the suspension of proceedings to form CFD 22A, to designate the related Improvement Area and to levy the specified special tax for at

least one year. Written protests by fifty percent (50%) or more of the registered voters or six registered voters, whichever is more, residing within the Future Annexation Area, or by the owners of one-half or more of the land area within the Future Annexation Area, will require suspension of the proceedings to authorize the same territory to be annexed to CFD 22A in the future for at least one year. If such protests constitute a majority protest and are directed only against a specified type or types of the Facilities and Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. Written protests must be filed with the City Clerk at or before the time fixed for the hearing.

Section 9. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution authorizing the issuance of bonds or indenture authorized thereby.

Section 10. It is anticipated that the special tax will be billed as a separate line item on the regular secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes. However, the City reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing, and when lawfully available, judicial foreclosure of the special tax lien.

Section 11. The City Manager or his/her designee is directed to study CFD 22A and prepare for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Hearing Report"). The City Manager may delegate to consultants the duty to perform the study and prepare the CFD Hearing Report.

Section 12. If elections are held in these proceedings, it is the intention of the City Council that the electors will be the owners of property within CFD 22A pursuant to Sections 53326 and 53350 of the Act.

Section 13. The City Council also intends to establish the annual appropriations limit for Improvement Area No. 1 at \$4,000,000, for Improvement Area No. 2 at \$4,000,000, and for Improvement Area No. 3 at \$4,000,000, each for the 2026-27 fiscal year.

Section 14. The City Clerk is hereby directed to have the Notice of Public Hearing in the form attached to this resolution as Exhibit E published once in a newspaper of general circulation in the vicinity of CFD 22A, no later than ten (10) days prior to the public hearing.

Section 15. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):

**ABSENT:** Councilmember(s):

**ABSTAIN:** Councilmember(s):

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Justin Raithel, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

**EXHIBIT A**  
**AUTHORIZED FACILITIES**  
**CITY OF FOLSOM**  
**COMMUNITY FACILITIES DISTRICT NO. 22A**  
**(FOLSOM HEIGHTS)**

The Facilities to be financed by CFD 22A include facilities designed to meet the needs of development within CFD 22A, whether such facilities are located within or outside the boundaries of CFD 22A, and include but are not limited to the following:

**Transportation Improvements**

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed herein also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Authorized facilities include the following transportation improvements:

- Summit Street
- Prima Drive
- Empire Ranch Road
- Alder Creek Parkway
- Folsom Heights Drive
- Other public roadway improvements designed to meet the needs of development of property within CFD 22, including internal subdivision streets and related underground utilities.

## **Water System Improvements**

Authorized facilities include any and all water facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters; booster pump stations and power; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

## **Recycled Water System Improvements**

Authorized facilities include any and all recycled water system facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

## **Drainage System Improvements**

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to: excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates, and fencing; and striping and signage and other improvements related thereto.

## **Wastewater System Improvements**

Authorized facilities include any and all wastewater facilities designed to meet the needs of development of property within CFD 22A. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main lines; force mains; lift stations; upgrades to existing lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

## **Park, Parkway and Open Space Improvements**

Authorized facilities include any and all improvements to parks, parkways and open space required for development of property within CFD 22A. These facilities include, but may not be limited to: grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements. Authorized facilities include acquisition of any and all parkland as well as open space/bike trail/public access easements required for development of property within CFD 22A.

### **Specific Plan Infrastructure Fee Infrastructure**

Authorized facilities include any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, including any future amendments thereto.

### **Other Incidental Expenses and Bond Issuance Costs**

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of CFD 22A; and any other expenses incidental to the formation and implementation of CFD 22A and to the construction, completion, inspection and acquisition of the authorized facilities.

**EXHIBIT B**  
**AUTHORIZED SERVICES**  
**CITY OF FOLSOM**  
**COMMUNITY FACILITIES DISTRICT NO. 22A**  
**(FOLSOM HEIGHTS)**

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below in addition to the costs associated with collecting and administering the special taxes and annual administration of CFD 22A.

CFD 22A will be eligible to fund all or a portion of the costs of reconstruction and/or rehabilitation, operation, maintenance, repair and replacement, and servicing of the following items not otherwise subject to funding from the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services):

1. Open Space improvements, operations and management, monitoring, maintenance (including general maintenance, signage, City owned fence maintenance, trash and debris collection, and bike trails and their appurtenances [drainage culverts or pipes from adjacent subdivisions] within open space), creation and maintenance of fire breaks, Permits, Vandalism/Graffiti, Flood Conveyance (Vegetation/tree removals), Beaver dam removals, Outfall/drainage swale maintenance, Erosion control/bank stabilization, Native planting/replanting, Pre and post emergent, maintenance activities as required by a 404 permit and Operations and Management Plan-Conservation and Passive Recreation Open Space, dated June 9, 2017, and repair and replacement of facilities within open space areas in the Project Area.
2. The maintenance of on-site landscape corridors and paseos designed to serve land uses within CFD 22A, including general maintenance, masonry walls, accent lighting, water and utility costs.
3. The maintenance of streetlights, including any utility costs related thereto.
4. The maintenance of medians, entries, and entry monumentation.
5. Neighborhood park maintenance, and repair and replacement.
6. Community amenities, such as a community clubhouse.
7. Storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.
8. Miscellaneous costs related to any of the items described above including planning, engineering, GIS, legal, and city and county administration costs.
9. The levy of special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry

monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by CFD 22A as determined by the Administrator.

Annual maintenance functions and costs generally will include the installation, maintenance and servicing of ground cover, shrubs and trees, irrigation systems, street lighting, fencing, sound walls, sidewalks, monuments, enhanced open space maintenance including but not limited to maintaining the enhanced open space areas located adjacent to avoided or created habitat mitigation areas and other buffer areas between the enhanced open space and vertical development, bike trails, walkways, entry signage, street pavers, and labor, materials, supplies, utilities (including water and electricity) and equipment, as applicable, for property owned or maintained by the City. Annual maintenance costs include an allowance for long-term repair and replacement of improvements.

CFD 22A may fund any of the following related to the maintenance of the services described above: obtaining, repairing, reconstructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of the personnel necessary or convenient to provide the services, and other related expenses and the provision of reserves for repairs and replacements for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof. CFD 22A may also fund administrative fees of the City related to CFD 22A.

CFD 22A will further be eligible to fund all or a portion of the costs of the following public services:

Police, fire and other emergency services that are in addition to those services that were provided within the boundaries of CFD 22A at the time of formation of CFD 22A, including but not limited to (i) the costs of contracting services, (ii) related equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and non-City staff that directly provide police, fire and emergency services, and (iv) City and non-City overhead costs associated with providing such services within CFD 22A.

**EXHIBIT C**  
**INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS**  
**CITY OF FOLSOM**  
**COMMUNITY FACILITIES DISTRICT NO. 22A**  
**(FOLSOM HEIGHTS)**

It is anticipated that the following incidental expenses may be incurred for CFD 22A:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services
- Bond counsel expenses
- Disclosure counsel services
- Disclosure counsel expenses
- Independent municipal advisor services and expenses
- Appraiser services
- Market absorption study and real estate economist services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
- Publishing, mailing and posting of notices
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Rating agency fees
- Charges and fees of City other than those waived

Certain annual costs may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs and administration expenses
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel and Administrative costs of the City
- Arbitrage rebate
- Continuing disclosure reporting and compliance

**EXHIBIT D-1**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM  
HEIGHTS) IMPROVEMENT AREA NO. 1**

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A  
(FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 1 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA1) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA1 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A 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 services authorized to be financed by CFD No. 22A IA1.

**“Average Sales Price”** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA1 market area.

**“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. 22A IA1 under the Act.

**“CFD No. 22A IA1”** means City of Folsom Community Facilities District No. 22A IA1 (Folsom Heights).

**“CFD No. 22A IA1 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 22A 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.3, 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. 22A 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 partially prepaid pursuant to Section L. 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 G.

**“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. 22A 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. 22A 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. 22A 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. 22A 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. 22A 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. 22A IA1 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 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. 22A 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 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.

**"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.

**“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, prior to the Transition Year, 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.

Beginning in the Transition Year, “Maximum Special Tax”, also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event 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.

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

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 22A IA1 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

**“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. 22A 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.

**“Other Taxable Property”** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

**“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. 22A 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 Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A 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. 22A 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. 22A 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. 22A IA1.

**“Public Property”** means any property within the boundaries of CFD No. 22A 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 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 Property.

**“Residential Unit”** means a residential dwelling unit, including accessory dwelling units, 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. 22A 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. 22A IA1 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means, prior to the Transition Event, 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 maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required for CFD No. 22A IA1, before the Transition Year, 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. 22A 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 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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.

**Single-Family Detached Property – 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 – SFHD Zoning shall consist of single-family 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, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition 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. 22A IA1 that are not exempt from the CFD No. 22A 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 most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Transition Event”** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA1 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA1 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA1.

**“Transition Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition 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 Transition Services Special Tax; and the costs of the City, CFD No. 22A IA1, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA1 for any other administrative purposes related to the Transition Services Special Tax.

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

**“Transition Services Special Tax Escalation Factor”** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Transition Services Special Tax Rate”** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year’s Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year’s Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**“Transition Services Special Tax Requirement”** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA1, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA1 Administrator.

**“Transition Year”** means the first year in which the CFD No. 22A IA1 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“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.

**“Welfare Exempt Property”** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor’s Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **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. 22A IA1 shall be designated as either Taxable Property or 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**

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A 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 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### **C.1. Increase in the Maximum Facilities Special Tax**

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### **C.2. 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 uniformly 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 uniformly 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/or Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property and/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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.3. Effective Tax Rate Evaluation**

Prior to the issuance of the first series of Bonds within CFD No. 22A IA1 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. 22A IA1.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA1 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

#### **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 an estimated Average Sales Price 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.4. 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 uniformly 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 uniformly 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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A 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 until the Transition 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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

##### **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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

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

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA1 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax**

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

##### **D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax**

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A 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. 22A IA1.

Using the definitions and procedures described herein, the CFD No. 22A 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 for Developed Property 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 for Small Lot Final Map Property in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

#### **E. TRANSITION SERVICES SPECIAL TAX**

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA1 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA1 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

#### **F. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 22A 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. 22A 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.

## **G. EXEMPTIONS**

The CFD No. 22A IA1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, 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.

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 may be fully prepaid by the seller, pursuant to Section L, 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.

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 paragraph 1 of Section G. 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.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **H. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 22A 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. 22A 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.

**I. 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. 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.

**J. REVIEW/APPEALS**

The CFD No. 22A IA1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA1 Administrator shall interpret this Rate and Method of Apportionment 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. 22A 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. 22A IA1 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City 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 of the City), 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. 22A IA1 Administrator or subsequent decision by the City Manager of the City 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.

**K. 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. 22A 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.

#### **L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA1 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA1 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA1 Administrator may charge a fee for providing this service.

##### **L.1. Partial Prepayment Amount**

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is 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 earlier of the end of the Facilities Special Tax Term or the Transition Event, 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 Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial 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 L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A 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 partial 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 partial 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 Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay As You Go Costs.

The Partial 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 Partial 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 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 Indenture, 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.

#### **M. TERM OF SPECIAL TAX**

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1  
MAXIMUM SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Maximum<br/>Facilities Special<br/>Tax Rate<sup>(1)</sup></b> | <b>2026-2027<br/>Maximum<br/>Services Special<br/>Tax Rate<sup>(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$3,500                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$2,800                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$2,600                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$2,000                                                                        | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$15,000                                                                       | \$645                                                                        | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$3,500                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$2,800                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$2,600                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$2,000                                                                        | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$15,000                                                                       | \$645                                                                        | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$15,000                                                                       | \$645                                                                        | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$15,000                                                                       | \$645                                                                        | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$15,000                                                                       | \$645                                                                        | Acre             |

(1) On each July 1, commencing on July 1, 2027, 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, 2027, 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. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1  
MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                              | <b>Lot Size</b> | <b>Planned Number<br/>of Residential<br/>Lots</b> | <b>2026-2027<br/>Developed Property<br/>Maximum Facilities<br/>Special Tax Rate<sup>(1)(2)</sup></b> | <b>2026-2027<br/>Minimum<br/>Facilities<br/>Revenue <sup>(1)(3)</sup></b> |
|-------------------------------------------------------|-----------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Developed Property:</b>                            |                 |                                                   |                                                                                                      |                                                                           |
| Single-Family Detached Property – SF Zoning           | Any             | 78                                                | \$3,500                                                                                              | \$273,000                                                                 |
| Single-Family Detached Property – SFHD Zoning         | > = 5,775 Sq Ft | 93                                                | \$2,800                                                                                              | \$260,400                                                                 |
| Single-Family Detached Property – SFHD Zoning         | < 5,775 Sq Ft   | 38                                                | \$2,600                                                                                              | \$98,800                                                                  |
| Single-Family Detached Property – MLD Zoning          | Any             | 53                                                | \$2,000                                                                                              | \$106,000                                                                 |
| Other Taxable Property                                | Any             | 0                                                 | \$15,000                                                                                             | \$0                                                                       |
| <b>Total Minimum Facilities Revenue<sup>(4)</sup></b> |                 |                                                   |                                                                                                      | <b>\$738,200</b>                                                          |

- (1) On each July 1, commencing on July 1, 2027, 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.2, 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 a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 1.

**ATTACHMENT C  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1  
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$_____                                                                                                             | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$_____                                                                                                             | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$_____                                                                                                             | Acre             |

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

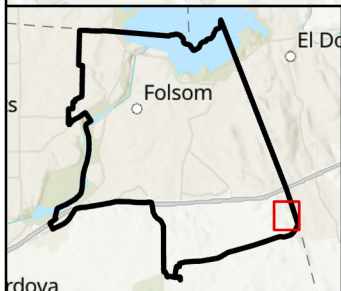
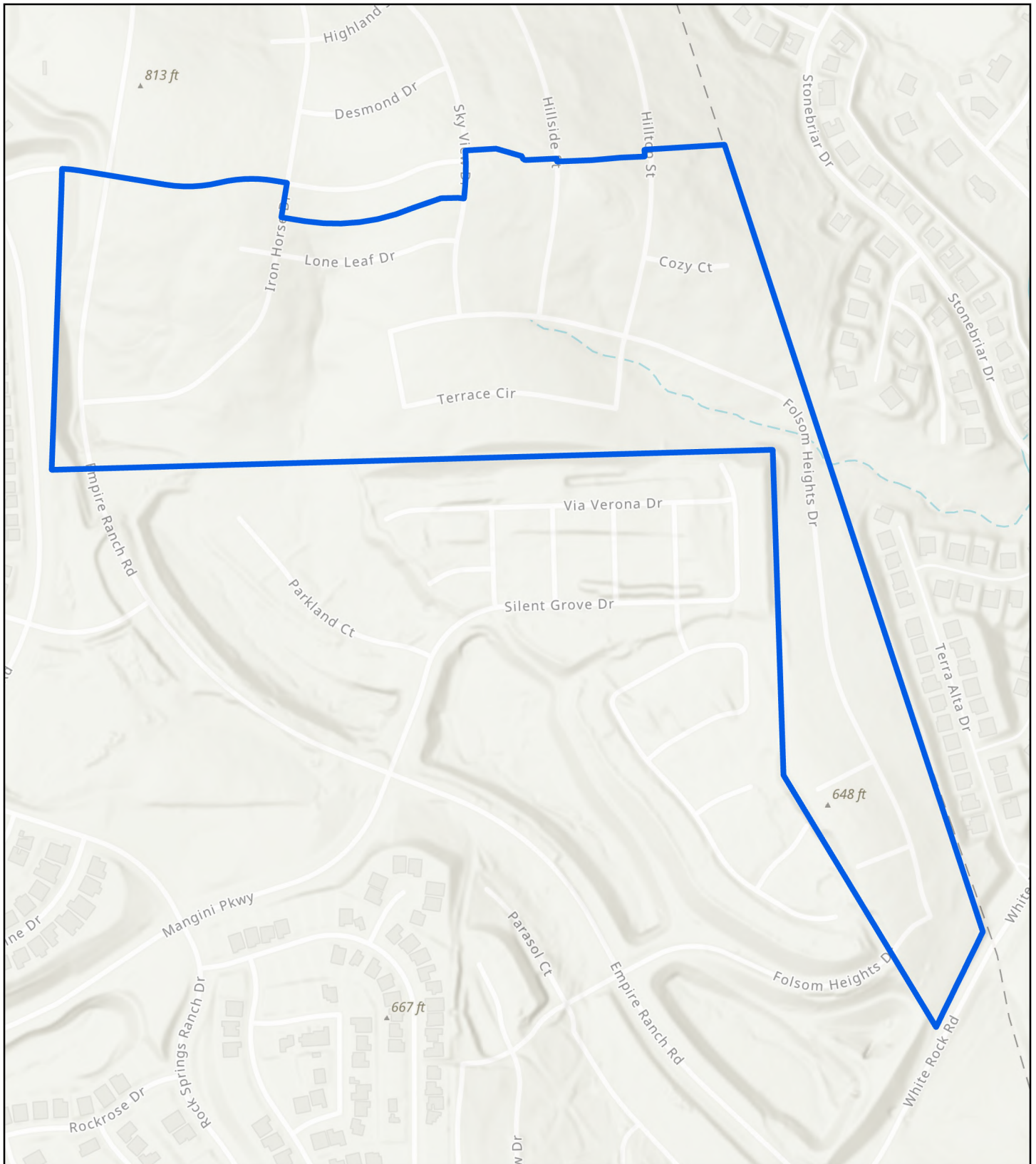
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax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

**ATTACHMENT D  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1  
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

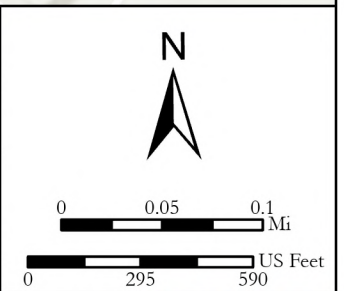
| <b>Land Use Category</b>                                                                | <b>Lot / Village #</b> | <b>Planned Number<br/>of Residential<br/>Lots / Acres<sup>(1)</sup></b> | <b>2026-2027<br/>Developed Property<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)(3)</sup></b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation<br/>Minimum Facilities<br/>Revenue<sup>(1)(2)(4)</sup></b> |
|-----------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Developed Property:</b>                                                              |                        |                                                                         |                                                                                                                                               |                                                                                                               |
| Single-Family Detached Property – SF Zoning                                             | Any                    | 78                                                                      | \$ _____                                                                                                                                      | \$ _____                                                                                                      |
| Single-Family Detached Property – SFHD Zoning                                           | > = 5,775 Sq Ft        | 93                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – SFHD Zoning                                           | < 5,775 Sq Ft          | 38                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – MLD Zoning                                            | Any                    | 53                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Other Taxable Property                                                                  | Any                    | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| <b>Total Effective Tax Rate Evaluation Minimum<br/>Facilities Revenue<sup>(5)</sup></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 a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 1.

**ATTACHMENT E  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 1**



| City of Folsom<br>Community Facilities District No. 22A (Folsom Heights)<br>Improvement Area 1                  |      |
|-----------------------------------------------------------------------------------------------------------------|------|
|  Improvement Area 1 Boundary | 2026 |
| Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet                                             |      |



**EXHIBIT D-2**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM  
HEIGHTS) IMPROVEMENT AREA NO. 2**

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A  
(FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 2 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA2) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA2 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A 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 services authorized to be financed by CFD No. 22A IA2.

**“Average Sales Price”** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA2 market area.

**“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. 22A IA2 under the Act.

**“CFD No. 22A IA2”** means City of Folsom Community Facilities District No. 22A IA2 (Folsom Heights).

**“CFD No. 22A IA2 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 22A 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.3, 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. 22A 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 partially prepaid pursuant to Section L. 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 G.

**“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. 22A 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. 22A 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. 22A 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. 22A 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. 22A 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. 22A IA2 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 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. 22A 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 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.

**"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.

**“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, prior to the Transition Year, 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.

Beginning in the Transition Year, “Maximum Special Tax”, also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event 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.

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

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 22A IA2 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

**“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. 22A 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.

**“Other Taxable Property”** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

**“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. 22A 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 Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A 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. 22A 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. 22A 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. 22A IA2.

**“Public Property”** means any property within the boundaries of CFD No. 22A 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 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 Property.

**“Residential Unit”** means a residential dwelling unit, including accessory dwelling units, 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. 22A 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. 22A IA2 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means, prior to the Transition Event, 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 maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required for CFD No. 22A IA2, before the Transition Year, 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. 22A 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 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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.

**Single-Family Detached Property – 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 – SFHD Zoning shall consist of single-family 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, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition 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. 22A IA2 that are not exempt from the CFD No. 22A 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 most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Transition Event”** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA2 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA2 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA2.

**“Transition Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition 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 Transition Services Special Tax; and the costs of the City, CFD No. 22A IA2, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA2 for any other administrative purposes related to the Transition Services Special Tax.

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

**“Transition Services Special Tax Escalation Factor”** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Transition Services Special Tax Rate”** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year’s Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year’s Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**“Transition Services Special Tax Requirement”** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA2, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA2 Administrator.

**“Transition Year”** means the first year in which the CFD No. 22A IA2 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“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.

**“Welfare Exempt Property”** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA2 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor’s Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **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. 22A IA2 shall be designated as either Taxable Property or 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**

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A 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 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### **C.1. Increase in the Maximum Facilities Special Tax**

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### **C.2. 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 uniformly 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 uniformly 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/or Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property and/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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.3. Effective Tax Rate Evaluation**

Prior to the issuance of the first series of Bonds within CFD No. 22A IA2 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. 22A IA2.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA2 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

#### **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 an estimated Average Sales Price 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.4. 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 uniformly 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 uniformly 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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A 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 until the Transition 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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

##### **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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

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

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA2 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax**

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

##### **D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax**

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A 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. 22A IA2.

Using the definitions and procedures described herein, the CFD No. 22A 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 for Developed Property 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 for Small Lot Final Map Property in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

#### **E. TRANSITION SERVICES SPECIAL TAX**

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA2 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA2 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

#### **F. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 22A 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. 22A 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.

## **G. EXEMPTIONS**

The CFD No. 22A IA2 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, 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.

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 may be fully prepaid by the seller, pursuant to Section L, 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.

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 paragraph 1 of Section G. 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.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **H. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 22A 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. 22A 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.

**I. 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. 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.

**J. REVIEW/APPEALS**

The CFD No. 22A IA2 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA2 Administrator shall interpret this Rate and Method of Apportionment 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. 22A 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. 22A IA2 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA2 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA2 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City 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 of the City), 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. 22A IA2 Administrator or subsequent decision by the City Manager of the City 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.

**K. 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. 22A 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.

#### **L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA2 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA2 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA2 Administrator may charge a fee for providing this service.

##### **L.1. Partial Prepayment Amount**

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is 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 earlier of the end of the Facilities Special Tax Term or the Transition Event, 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 Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial 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 L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A 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 partial 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 partial 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 Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay As You Go Costs.

The Partial 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 Partial 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 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 Indenture, 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.

#### **M. TERM OF SPECIAL TAX**

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2  
MAXIMUM SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Maximum<br/>Facilities Special<br/>Tax Rate<sup>(1)</sup></b> | <b>2026-2027<br/>Maximum<br/>Services Special<br/>Tax Rate<sup>(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$3,770                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$3,067                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$2,959                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$2,357                                                                        | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$15,000                                                                       | \$659                                                                        | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$3,770                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$3,067                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$2,959                                                                        | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$2,357                                                                        | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$15,000                                                                       | \$659                                                                        | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$15,000                                                                       | \$659                                                                        | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$15,000                                                                       | \$659                                                                        | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$15,000                                                                       | \$659                                                                        | Acre             |

(1) On each July 1, commencing on July 1, 2027, 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, 2027, 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. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2  
MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                              | <b>Lot Size</b> | <b>Planned Number<br/>of Residential<br/>Lots</b> | <b>2026-2027<br/>Developed Property<br/>Maximum Facilities<br/>Special Tax Rate<sup>(1)(2)</sup></b> | <b>2026-2027<br/>Minimum<br/>Facilities<br/>Revenue <sup>(1)(3)</sup></b> |
|-------------------------------------------------------|-----------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Developed Property:</b>                            |                 |                                                   |                                                                                                      |                                                                           |
| Single-Family Detached Property – SF Zoning           | Any             | 55                                                | \$3,770                                                                                              | \$207,350                                                                 |
| Single-Family Detached Property – SFHD Zoning         | > = 5,775 Sq Ft | 60                                                | \$3,067                                                                                              | \$184,020                                                                 |
| Single-Family Detached Property – SFHD Zoning         | < 5,775 Sq Ft   | 81                                                | \$2,959                                                                                              | \$239,679                                                                 |
| Single-Family Detached Property – MLD Zoning          | Any             | 72                                                | \$2,357                                                                                              | \$169,704                                                                 |
| Other Taxable Property                                | Any             | 0                                                 | \$15,000                                                                                             | \$0                                                                       |
| <b>Total Minimum Facilities Revenue<sup>(4)</sup></b> |                 |                                                   |                                                                                                      | <b>\$800,753</b>                                                          |

- (1) On each July 1, commencing on July 1, 2027, 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.2, 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 a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 2.

**ATTACHMENT C  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2  
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$_____                                                                                                             | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$_____                                                                                                             | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$_____                                                                                                             | Acre             |

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

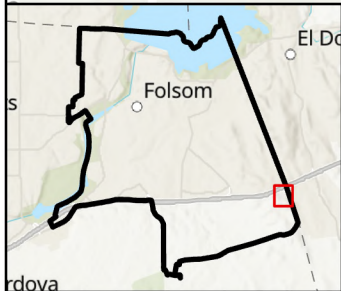
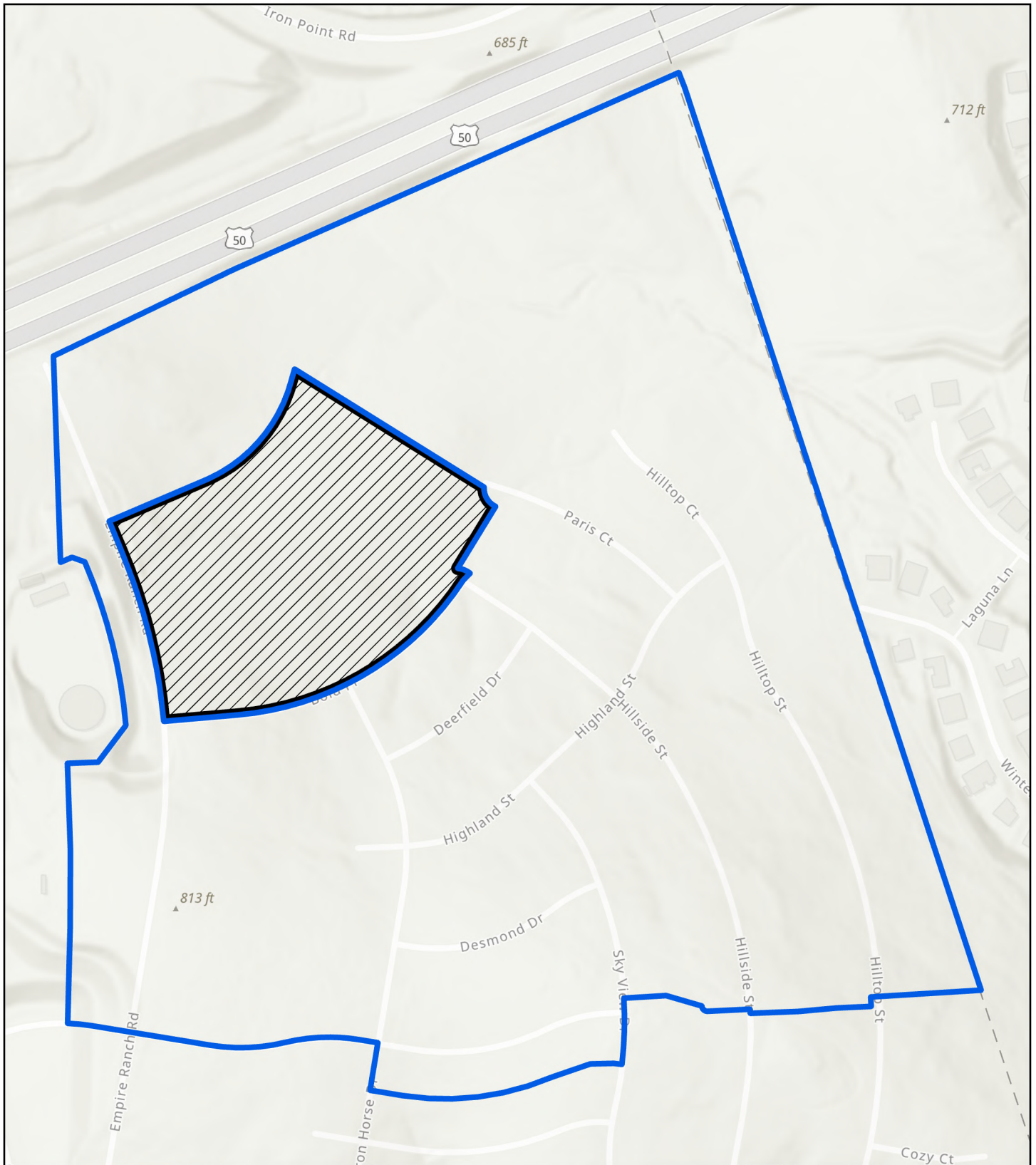
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax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

**ATTACHMENT D  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2  
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                                                | <b>Lot / Village #</b> | <b>Planned Number<br/>of Residential<br/>Lots / Acres<sup>(1)</sup></b> | <b>2026-2027<br/>Developed Property<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)(3)</sup></b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation<br/>Minimum Facilities<br/>Revenue<sup>(1)(2)(4)</sup></b> |
|-----------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Developed Property:</b>                                                              |                        |                                                                         |                                                                                                                                               |                                                                                                               |
| Single-Family Detached Property – SF Zoning                                             | Any                    | 55                                                                      | \$ _____                                                                                                                                      | \$ _____                                                                                                      |
| Single-Family Detached Property – SFHD Zoning                                           | > = 5,775 Sq Ft        | 60                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – SFHD Zoning                                           | < 5,775 Sq Ft          | 81                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – MLD Zoning                                            | Any                    | 72                                                                      | _____                                                                                                                                         | _____                                                                                                         |
| Other Taxable Property                                                                  | Any                    | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| <b>Total Effective Tax Rate Evaluation Minimum<br/>Facilities Revenue<sup>(5)</sup></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 a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 2.

**ATTACHMENT E  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 2**



|                                                                                                                     |             |
|---------------------------------------------------------------------------------------------------------------------|-------------|
| <b>City of Folsom</b><br><b>Community Facilities District No. 22A (Folsom Heights)</b><br><b>Improvement Area 2</b> |             |
| Improvement Area 2 Boundary<br>Not A Part                                                                           | <b>2026</b> |
| Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet                                                 |             |

N

0 0.04 0.07 Mi

0 215 430 US Feet

**EXHIBIT D-3**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM  
HEIGHTS) IMPROVEMENT AREA NO. 3**

**RATE AND METHOD OF APPORTIONMENT FOR  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A  
(FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within Improvement Area No. 3 of the City of Folsom Community Facilities District No. 22A (Folsom Heights) (CFD No. 22A IA3) and collected each Fiscal Year in an amount determined by the CFD No. 22A IA3 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 22A 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.

**“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 services authorized to be financed by CFD No. 22A IA3.

**“Average Sales Price”** means the estimated average net price of new homes with options and upgrades by product category, as identified in the most recent Price Point Study for the CFD 22A IA3 market area.

**“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. 22A IA3 under the Act.

**“CFD No. 22A IA3”** means City of Folsom Community Facilities District No. 22A IA3 (Folsom Heights).

**“CFD No. 22A IA3 Administrator”** means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement, and

Transition Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**“City”** means the City of Folsom.

**“City Council”** means the City Council of the City, acting as the legislative body of CFD No. 22A 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.3, 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. 22A 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 partially prepaid pursuant to Section L. 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 G.

**“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. 22A 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. 22A 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. 22A 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. 22A 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. 22A 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. 22A IA3 Administrator pursuant to the Indenture.

**"Facilities Special Tax Term"** means the earlier of Fiscal Year 2086-2087 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. 22A 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 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.

**"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.

**“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, prior to the Transition Year, 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.

Beginning in the Transition Year, “Maximum Special Tax”, also means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event 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.

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

**“Minimum Facilities Revenue”** means the minimum amount of total CFD No. 22A IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

**“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. 22A 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.

**“Other Taxable Property”** means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Residential Property and Non-Residential Property land use categories.

**“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. 22A 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 Lots, Permit Ready Multi-Family/Non-Residential Property Acreage planned within CFD No. 22A 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. 22A 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. 22A 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. 22A IA3.

**“Public Property”** means any property within the boundaries of CFD No. 22A 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 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 Property.

**“Residential Unit”** means a residential dwelling unit, including accessory dwelling units, 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. 22A 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. 22A IA3 for any other administrative purposes related to the Services Special Tax.

**“Services Special Tax”** means, prior to the Transition Event, 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 maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Services Special Tax Requirement”** means the amount of Services Special Tax revenue required for CFD No. 22A IA3, before the Transition Year, 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. 22A 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 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 Zoning shall consist of single-family property with a permitted density range of 1-4 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.

**Single-Family Detached Property – 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 – SFHD Zoning shall consist of single-family 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, before the Transition Year, 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; and, beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition 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. 22A IA3 that are not exempt from the CFD No. 22A 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 most

recently completed Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates— excluding utility-related fees and charges and PACE loans— levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

**“Transition Event”** means the earlier of (i) Fiscal Year 2086-2087 or (ii) the Fiscal Year when the CFD No. 22A IA3 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 22A IA3 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 22A IA3.

**“Transition Services Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition 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 Transition Services Special Tax; and the costs of the City, CFD No. 22A IA3, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 22A IA3 for any other administrative purposes related to the Transition Services Special Tax.

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

**“Transition Services Special Tax Escalation Factor”** means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-Hayward area, not to exceed four percent (4%).

**“Transition Services Special Tax Rate”** means, calculated in the Transition Year, the amount equal to the prior Fiscal Year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior Fiscal Year’s Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior Fiscal Year’s Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

**“Transition Services Special Tax Requirement”** means the amount of Transition Services Special Tax revenue required for CFD No. 22A IA3, beginning in the Transition Year, to (i) pay Transition 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, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds

available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 22A IA3 Administrator.

**“Transition Year”** means the first year in which the CFD No. 22A IA3 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“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.

**“Welfare Exempt Property”** means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 22A IA3 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor’s Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **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. 22A IA3 shall be designated as either Taxable Property or 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**

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 22A 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 2027-2028 is set forth in Attachment B of this Rate and Method of Apportionment.

### **C.1. Increase in the Maximum Facilities Special Tax**

On each July 1, commencing on July 1, 2028, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year shall be increased by the Facilities Special Tax Escalation Factor.

### **C.2. 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 uniformly 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 uniformly 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/or Permit Ready Multi-Family/Non-Residential Property**

When Large Lot Property subdivides into Small Lot Final Map Property and/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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.3. Effective Tax Rate Evaluation**

Prior to the issuance of the first series of Bonds within CFD No. 22A IA3 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. 22A IA3.

Additionally, prior to the issuance of the first series of Bonds, the Developer may, one time, at their discretion, further reduce the Maximum Facilities Special Tax Rate for any or all Taxable Property in CFD No. 22A IA3 to an amount less than the rates produced in the Effective Tax Rate Evaluation. If reduced, the reduction will be applied uniformly by land use category.

#### **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 an estimated Average Sales Price 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.4. 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 uniformly 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 uniformly 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 partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, 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.5. Method of Apportionment of Facilities Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A 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 until the Transition 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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

##### **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 for Developed Property in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Small Lot Final Map Property.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Permit Ready Multi-Family/Non-Residential Property.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Large Lot Property.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement (excluding Pay As You Go Costs) 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 for Undeveloped Property.

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

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax**

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates in effect for the previous Fiscal Year shall be increased by the Services Special Tax Escalation Factor.

##### **D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax**

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 22A 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. 22A IA3.

Using the definitions and procedures described herein, the CFD No. 22A 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 for Developed Property 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 for Small Lot Final Map Property in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the second step has been completed, the Services Special Tax shall be levied Proportionately on all Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax for Permit-Ready Multi-Family/Non-Residential Property, Large Lot Property, and Undeveloped Property in order to satisfy the Services Special Tax Requirement.

#### **E. TRANSITION SERVICES SPECIAL TAX**

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 22A IA3 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

##### **E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax**

Using the definitions and procedures described herein, the CFD No. 22A IA3 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

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

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

#### **F. DELINQUENCIES**

Notwithstanding the above, under no circumstances will the CFD No. 22A 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. 22A 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.

## **G. EXEMPTIONS**

The CFD No. 22A IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, 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.

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 may be fully prepaid by the seller, pursuant to Section L, 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.

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 paragraph 1 of Section G. 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.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

## **H. TRANSFERS**

Prior to the issuance of the first series of Bonds within CFD No. 22A 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. 22A 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.

**I. 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. 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.

**J. REVIEW/APPEALS**

The CFD No. 22A IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 22A IA3 Administrator shall interpret this Rate and Method of Apportionment 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. 22A 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. 22A IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 22A IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 22A IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager of the City 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 of the City), 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. 22A IA3 Administrator or subsequent decision by the City Manager of the City 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.

**K. 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. 22A 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.

#### **L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX**

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 22A IA3 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 22A IA3 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 22A IA3 Administrator may charge a fee for providing this service.

##### **L.1. Partial Prepayment Amount**

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

The "Partial Prepayment Amount" is 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 earlier of the end of the Facilities Special Tax Term or the Transition Event, 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 Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial 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 L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 22A 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 partial 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 partial 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 Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay As You Go Costs.

The Partial 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 Partial 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 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 Indenture, 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.

#### **M. TERM OF SPECIAL TAX**

The Facilities Special Tax shall be levied commencing in Fiscal Year 2027-2028 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied through the Facilities Special Tax Term.

The Services Special Tax shall be levied commencing in Fiscal Year 2027-2028 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

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

**ATTACHMENT A  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3  
MAXIMUM SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Maximum<br/>Facilities Special<br/>Tax Rate<sup>(1)</sup></b> | <b>2026-2027<br/>Maximum<br/>Services Special<br/>Tax Rate<sup>(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$0                                                                            | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$0                                                                            | \$474                                                                        | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                |                                                                              |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | \$0                                                                            | \$137                                                                        | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | \$0                                                                            | \$117                                                                        | Residential Lot  |
| Other Taxable Property                                    | Any             | \$0                                                                            | \$474                                                                        | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$0                                                                            | \$474                                                                        | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$0                                                                            | \$474                                                                        | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$0                                                                            | \$474                                                                        | Acre             |

(1) On each July 1, commencing on July 1, 2027, 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, 2027, 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. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3  
MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                              | <b>Lot Size</b> | <b>Planned Number<br/>of Residential<br/>Lots</b> | <b>2026-2027<br/>Developed Property<br/>Maximum Facilities<br/>Special Tax Rate<sup>(1)(2)</sup></b> | <b>2026-2027<br/>Minimum<br/>Facilities<br/>Revenue <sup>(1)(3)</sup></b> |
|-------------------------------------------------------|-----------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Developed Property:</b>                            |                 |                                                   |                                                                                                      |                                                                           |
| Single-Family Detached Property – SF Zoning           | Any             | 0                                                 | \$0                                                                                                  | \$0                                                                       |
| Single-Family Detached Property – SFHD Zoning         | > = 5,775 Sq Ft | 0                                                 | \$0                                                                                                  | \$0                                                                       |
| Single-Family Detached Property – SFHD Zoning         | < 5,775 Sq Ft   | 0                                                 | \$0                                                                                                  | \$0                                                                       |
| Single-Family Detached Property – MLD Zoning          | Any             | 0                                                 | \$0                                                                                                  | \$0                                                                       |
| Other Taxable Property                                | Any             | 0                                                 | \$0                                                                                                  | \$0                                                                       |
| <b>Total Minimum Facilities Revenue<sup>(4)</sup></b> |                 |                                                   |                                                                                                      | <b>\$0</b>                                                                |

- (1) On each July 1, commencing on July 1, 2027, 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.2, 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 a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Improvement Area No. 3.

**ATTACHMENT C  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3  
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                  | <b>Lot Size</b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)</sup></b> | <b>Taxed Per</b> |
|-----------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Developed Property:</b>                                |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Small Lot Final Map Property:</b>                      |                 |                                                                                                                     |                  |
| Single-Family Detached Property – SF Zoning               | Any             | \$_____                                                                                                             | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | > = 5,775 Sq Ft | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – SFHD Zoning             | < 5,775 Sq Ft   | _____                                                                                                               | Residential Lot  |
| Single-Family Detached Property – MLD Zoning              | Any             | _____                                                                                                               | Residential Lot  |
| Other Taxable Property                                    | Any             | _____                                                                                                               | Acre             |
| <b>Permit Ready Multi-Family/Non-Residential Property</b> |                 | \$_____                                                                                                             | Acre             |
| <b>Large Lot Property</b>                                 |                 | \$_____                                                                                                             | Acre             |
| <b>Undeveloped Property</b>                               |                 | \$_____                                                                                                             | Acre             |

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

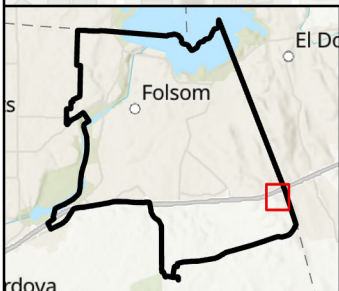
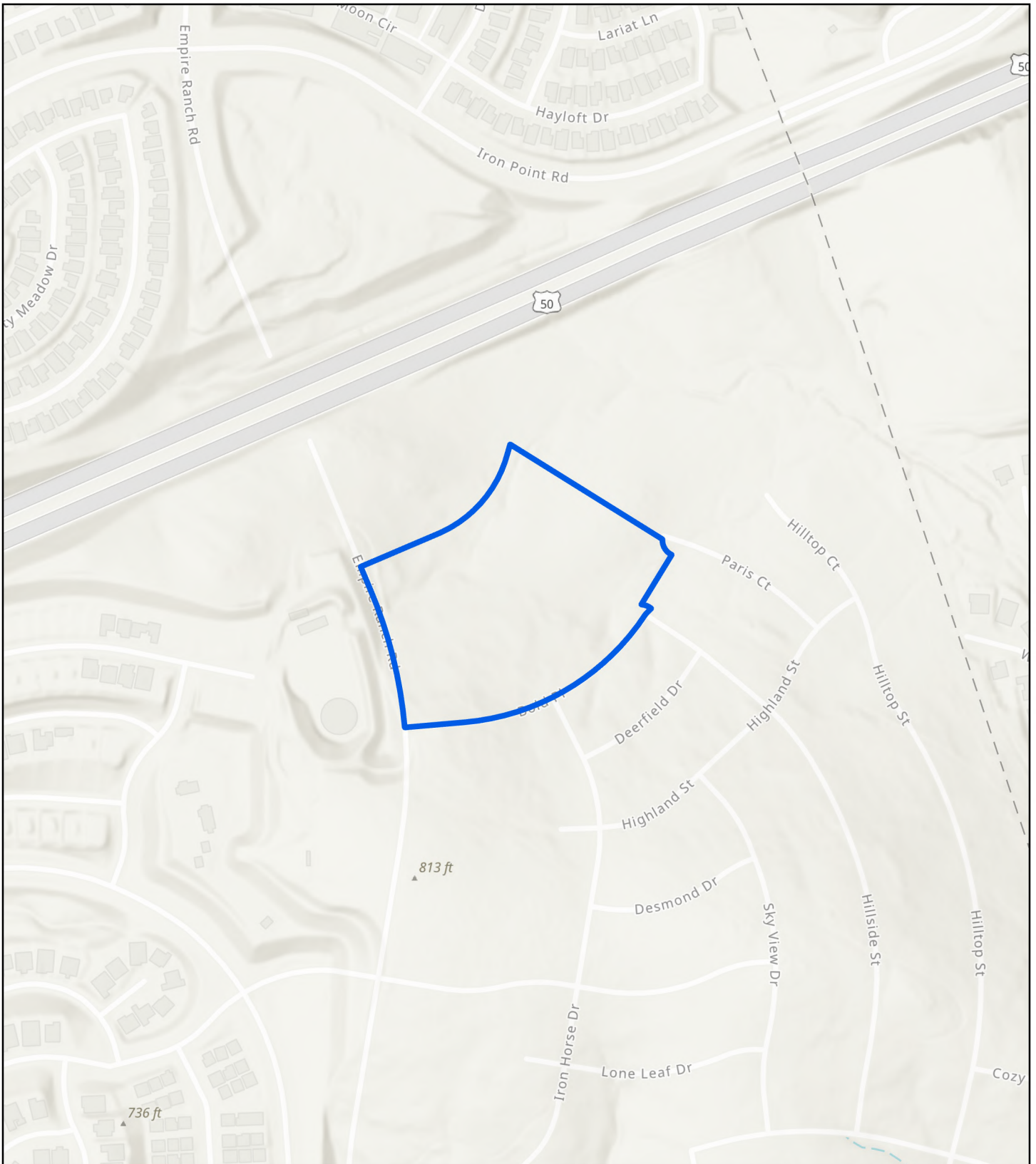
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax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

**ATTACHMENT D  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3  
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE  
(FISCAL YEAR 2026-2027)**

| <b>Land Use Category</b>                                                                | <b>Lot / Village #</b> | <b>Planned Number<br/>of Residential<br/>Lots / Acres<sup>(1)</sup></b> | <b>2026-2027<br/>Developed Property<br/>Effective Tax Rate<br/>Evaluation Maximum<br/>Facilities Special Tax<br/>Rate<sup>(1)(2)(3)</sup></b> | <b>2026-2027<br/>Effective Tax Rate<br/>Evaluation<br/>Minimum Facilities<br/>Revenue<sup>(1)(2)(4)</sup></b> |
|-----------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Developed Property:</b>                                                              |                        |                                                                         |                                                                                                                                               |                                                                                                               |
| Single-Family Detached Property – SF Zoning                                             | Any                    | 0                                                                       | \$ _____                                                                                                                                      | \$ _____                                                                                                      |
| Single-Family Detached Property – SFHD Zoning                                           | > = 5,775 Sq Ft        | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – SFHD Zoning                                           | < 5,775 Sq Ft          | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| Single-Family Detached Property – MLD Zoning                                            | Any                    | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| Other Taxable Property                                                                  | Any                    | 0                                                                       | _____                                                                                                                                         | _____                                                                                                         |
| <b>Total Effective Tax Rate Evaluation Minimum<br/>Facilities Revenue<sup>(5)</sup></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 a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Improvement Area No. 3.

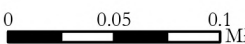
**ATTACHMENT E  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS)  
IMPROVEMENT AREA 3**



|                                                                                                                     |             |
|---------------------------------------------------------------------------------------------------------------------|-------------|
| <b>City of Folsom</b><br><b>Community Facilities District No. 22A (Folsom Heights)</b><br><b>Improvement Area 3</b> |             |
|  Improvement Area 3 Boundary     | <b>2026</b> |
| Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet                                                 |             |



N



0 0.05 0.1 Mi



0 265 530 US Feet

## **EXHIBIT E**

### **NOTICE OF PUBLIC HEARING REGARDING THE FORMATION OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS), DESIGNATION OF IMPROVEMENT AREAS WITHIN THE DISTRICT AND LEVYING OF SPECIAL TAXES THEREIN**

NOTICE IS HEREBY GIVEN that on Tuesday, August 11, 2026, the City of Folsom (the “City”) duly adopted its Resolution No. [\_\_\_\_\_] (the “Resolution of Intention”) wherein it declared its intention to form a community facilities district to be known as “City of Folsom Community Facilities District No. 22A (Folsom Heights)” (“CFD 22A” or the “CFD”), identify territory proposed for annexation to CFD 22A in the future with the unanimous approval of the owner or owners of each such parcel or parcels at the time that such parcel or parcels are annexed to CFD 22A (the “Future Annexation Area”), to designate two improvement areas within CFD 22A (each, an “Improvement Area”) to be known as “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1” (“Improvement Area No. 1”), “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2” (“Improvement Area No. 2”), and “City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 3” (“Improvement Area No. 3”), and to levy a special tax within CFD 22A and to pay the costs of certain public facilities, including, transportation, water system, recycled water, drainage system, wastewater system, park, parkway and open space, and infrastructure required by the specific plan infrastructure fee; and other incidental expenses and bond issuance costs (collectively, the “Facilities”) and of certain services, including reconstruction and/or rehabilitation, operation, maintenance, repair and replacement of open space improvements, landscape corridors and paseos, streetlights, medians, neighborhood parks, storm water management, and water quality controls, and certain costs related to the maintenance of the services described above (collectively, the “Services”), all as more specifically described in the Resolution of Intention, and its Resolution No. [\_\_\_\_\_] (the “Resolution Declaring the Necessity for Incurring Bonded Indebtedness”) wherein it declared its intention to incur bonded indebtedness in a principal amount not to exceed \$22,000,000 for Improvement Area No. 1 and \$25,000,000 for Improvement Area No. 2 to finance the acquisition and construction of the Facilities within CFD 22A under and pursuant to the terms and provisions of the “Mello Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”).

This Notice contains a brief summary of the Proposal (as described below), but you are referred to the City’s Resolution of Intention and its Resolution Declaring the Necessity for Incurring Bonded Indebtedness on file with the City Clerk for the definitive description of the Proposal, including a description of the Facilities and the Services, a list of incidental expenses and bond issuance costs and the rates and methods of apportionment of the special tax.

The Proposal consists of the authorization of (1) a special tax within CFD 22A and each Improvement Area therein, (2) the issuance of bonds for each Improvement Area to finance the Facilities and (3) the annual appropriations limit of CFD 22A to be set at \$4,000,000 for

Improvement Area No. 1, \$4,000,000 for Improvement Area No. 2, and \$4,000,000 for Improvement Area No. 3, each for fiscal year 2026-27.

In order to confer the authority upon the City to levy the special tax and to issue the bonds, a public hearing must be held on the Proposal, the City must determine to form CFD 22A, designate the Improvement Areas, and, finally, the qualified electors within each Improvement Area must approve the Proposal by a two-thirds vote. Where a proposed community facilities district is uninhabited or inhabited by fewer than 12 registered voters (there are no registered voters inhabiting CFD 22A) the qualified electors are, pursuant to the Act, the owners of property within the proposed community facilities district.

THIS IS THE NOTICE OF THE PUBLIC HEARING.

The public hearing will be held during the City Council meeting on Tuesday, September 22, 2026, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630.

At the hearing, oral and written testimony of all interested persons or potential special taxpayers for or against the formation of CFD 22A, the extent of CFD 22A, the identification of the Future Annexation Area, the designation of the Improvement Areas within CFD 22A, the furnishing of the Facilities, the authorization to levy a special tax within CFD 22A and the authorization to issue the bonds will be heard. Written protests against the formation of CFD 22A or the designation of the Improvement Areas delivered to the City Clerk at or before the time set for the hearing by either registered voters residing within, or the owners of property within, CFD 22A or the Future Annexation Area will be counted toward a possible majority protest against such formation and designation. Written protests by a majority of the registered voters residing within CFD 22A (provided they number at least 6) or by the owners of a majority of the land area within CFD 22A that is or will be subject to the related special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the formation of CFD 22A and the levy of the related specified special tax to be eliminated from immediate consideration and prevent their being included in a subsequent proceedings for at least one year. Written protests by a majority of the registered voters residing within the Future Annexation Area (provided they number at least 6) or by the owners of a majority of the land area within the Future Annexation Area, or by the owners of one-half or more of the land area within the Future Annexation Area, will require suspension of the proceedings to authorize the same territory to be annexed to CFD 22A in the future for at least one year. If such protests constitute a majority protest and are directed only against the furnishing of a specified type or types of the Facilities or Services or against levying a specified special tax, only those types of Facilities, Services or the specified special tax will be eliminated from the proceedings.

Questions should be directed to Stacey Tamagni, Chief Financial Officer, telephone (916) 461-6081.

Dated: \_\_\_\_\_, 2026.

City Clerk of the  
CITY OF FOLSOM

## Attachment 2

## **RESOLUTION NO. 11680**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM DECLARING THE NECESSITY FOR INCURRING BONDED INDEBTEDNESS IN AND FOR THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS) AND IN AND FOR TWO IMPROVEMENT AREAS DESIGNATED THEREIN AND CALLING FOR A PUBLIC HEARING THEREON**

**WHEREAS**, the City Council (the “City Council”) of the City of Folsom (the “City”) has duly adopted its Resolution No. 11679 (the “Resolution of Intention”) this date, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the “Act”), to be known and designated as “City of Folsom Community Facilities District No. 22A (Folsom Heights)” (“CFD 22A”), to designate Improvement Area No. 1 therein (“Improvement Area No. 1”) and Improvement Area No. 2 therein (“Improvement Area No. 2” and, together with Improvement Area No. 1, the “Improvement Areas”), to identify territory proposed for annexation to CFD 22A in the future (the “Future Annexation Area”) and to levy special taxes therein to finance certain public improvements (the “Improvements”) that will assist in mitigating the impact on the need for public facilities occasioned by new development that has occurred or is expected to occur within the boundaries of the Community Facilities District; and

**WHEREAS**, the City Council declares and finds that in order to finance the acquisition and construction of the Improvements, it is necessary to incur bonded indebtedness; and

**WHEREAS**, the purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said public improvements;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom, as follows:

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council hereby declares that the public convenience and necessity require that bonded indebtedness be incurred to finance the Improvements. The maximum amount of the proposed bonded indebtedness of the City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 1 is \$22,000,000 and City of Folsom Community Facilities District No. 22A (Folsom Heights) Improvement Area No. 2 is \$25,000,000. Such amounts include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of CFD 22A for any Improvement Area estimated to be due and payable

within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, underwriter's discount, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, debt service reserve fund sureties or credit instruments, fees for letters of credit, and other credit enhancement costs, and printing costs.

The City expects that the authorization to incur bonded indebtedness for the Future Annexation Area annexed as a separate Improvement Area (a "Future Improvement Area") shall be specified and be approved by the unanimous consent and approval ("Unanimous Approval") of the owner or owners of the parcel or parcels at the time of such annexation.

Section 3. The City Council hereby sets Tuesday, September 22, 2026, 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA, 95630, as the time and place for a hearing by the City Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the proposed community facilities district, will be heard.

Section 4. It is the intention of this City Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982.

Section 5. The City Clerk of the City of Folsom shall have a copy of the Notice of Public Hearing published pursuant to the Resolution of Intention.

Section 6. This resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** this 11th day of August, 2026, by the following roll-call vote:

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

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Justin Raithel, MAYOR

ATTEST:

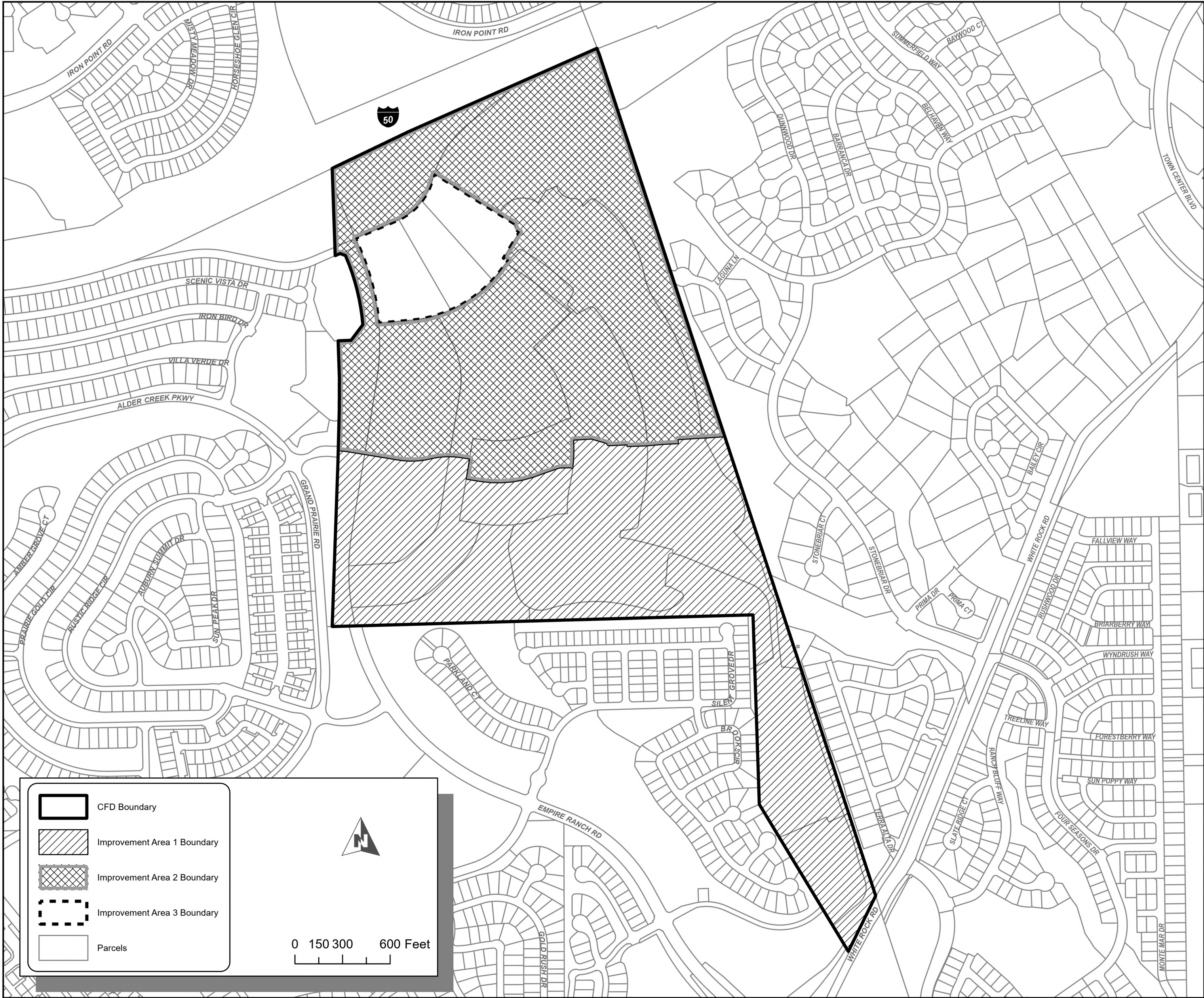
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Christa Freemantle, CITY CLERK

## Attachment 3

MAP OF PROPOSED BOUNDARIES  
CITY OF FOLSOM  
COMMUNITY FACILITIES DISTRICT NO. 22A  
(FOLSOM HEIGHTS)

CITY OF FOLSOM  
COUNTY OF SACRAMENTO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

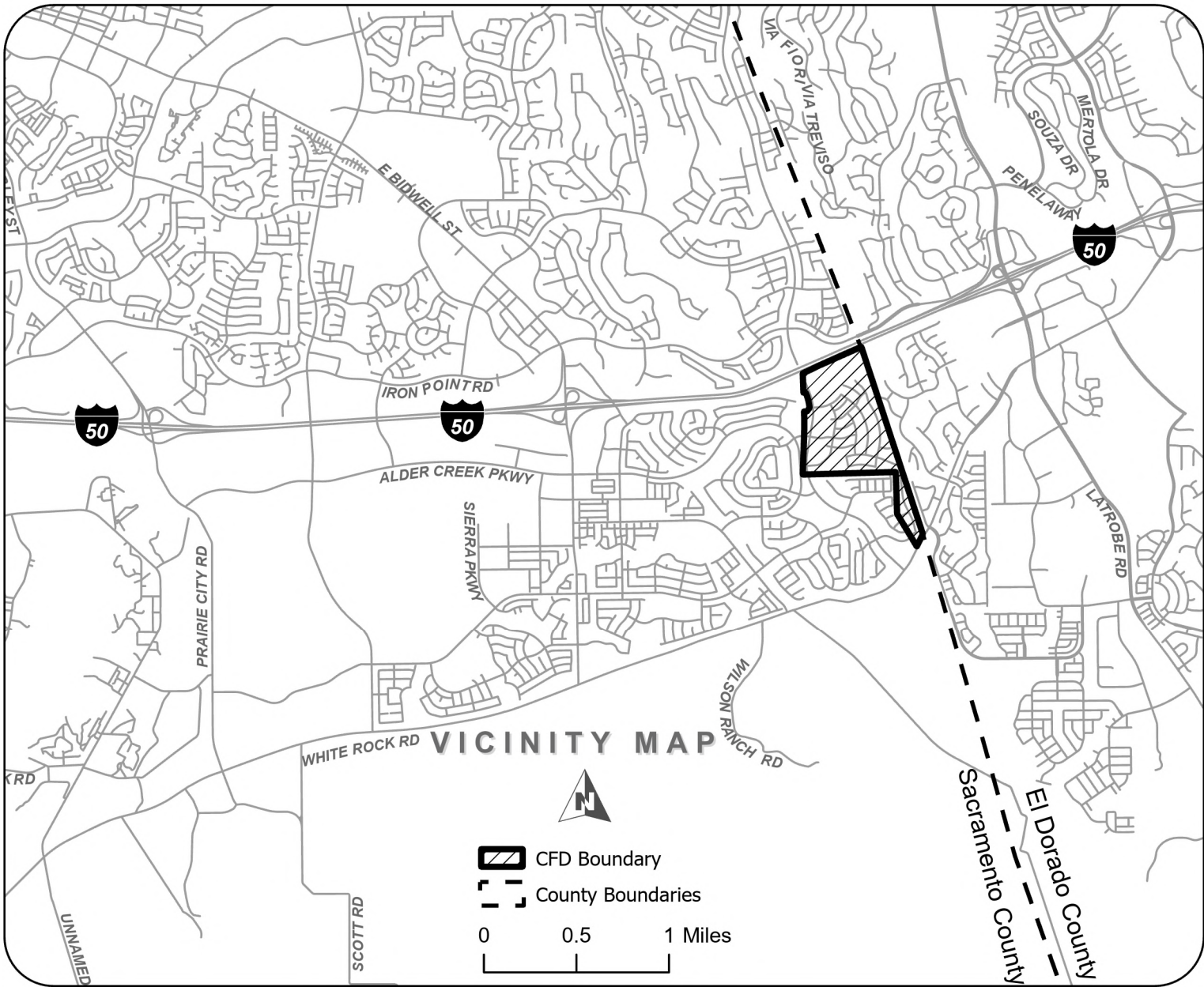
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 22A (FOLSOM HEIGHTS), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF FOLSOM  
SACRAMENTO COUNTY, CALIFORNIA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 202\_\_\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

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.



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

